

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

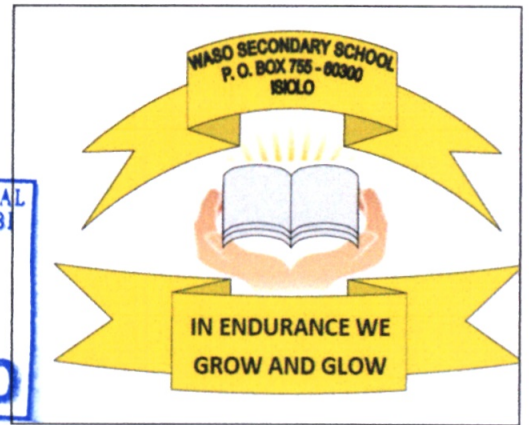
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 DEC 2024	DAY: MONDAY
TABLED BY: HON. JACQUELINE WAPD, MP	DEPUTY MAJORITY WHIP
CLERK-AT THE TABLE:	KESTER NGENYO

THE AUDITOR-GENERAL

ON

**WASO SECONDARY SCHOOL
FOR THE YEAR ENDED
30 JUNE, 2023**

ISIOLO COUNTY



WASO DAY SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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



Table of Contents	Page
1. Acronyms and Glossary of Terms	ii
2. Key School Information and Management	iii
3. Summary Report of Performance of The School.....	ix
4. Statement of School Management Responsibility	xvii
5. Report Of The Independent Auditors (To be attached)	xviii
6. Statement Of Receipts and Payments For the Year Ended 30 th June 2023.....	1
7. Statement of Assets and Liabilities As At 30 th June 2023	2
8. Statement of Cash Flows for the Year Ended 30 th June 2023	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2023	5
10. Significant Accounting Policies	11
11. Notes To The Financial Statements	13
12. Annexes	30

1. Acronyms and Glossary of Terms

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

2. KEY SCHOOL INFORMATION AND MANAGEMENT**(a) Background information**

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

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

The school is a day school and had 564 number of students as at 30th June 2023. It has 3 streams and 26 teachers of which 2 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	MOHAMED BORU	Chairman/Rep CEB	16/05/2022
2	HALIMA S. GODANA	Secretary - Principal	16/05/2022
3	AMINA HUKA	Member	16/05/2022
4	ELIPHAS BUNDI	Member	16/05/2022
5	ZEINAB ABDIKADIR	Member	16/05/2022
6	SIRADO ADAN	Member	16/05/2022
7	PAULINE KOIYA	Member	16/05/2022
8	HALAKHE TADICHA	Member	16/05/2022
9	HUSSEIN ABADO	Member	16/05/2022
10	HABIBA LIBAN	Member	16/05/2022
11	DAVID W. KINYUA	Member	16/05/2022
12	MERCY DUDI	Member Rep Teachers	16/05/2022
13	SARAH JILLO	Sponsor	16/05/2022
14	BETSY MBURUGU	Sponsor	16/05/2022
15	ABDILATIF ABDI	Sponsor	16/05/2022
16	JAMES CHUCHU	Member - Community	16/05/2022
17	JOAKIM THUO	Member Special Needs	16/05/2022
18	ISALIAH MURIIRA	Rep Students	16/05/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Mohamed Boru 2. Halima S. Godana 3. Betsy Mburugu 4. Halakhe Tadicha 5. Hussein Abado	Chairperson Secretary Member Member PTA Chair	1 out of 1 1 out of 1 1 out of 1 0 out of 1 1 out of 1
2	Audit Committee	Amina Huka Eliphas Bundi Sarah Jillo	Chairperson Member Member	- - -
3	Finance, procurement and general purposes Committee	Halakhe Tadicha Pauline koiya Zainab Abdikadir	Chairperson Member Member	1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	David Kinyua Mercy Dudi Sirado Adan	Chairperson Member Member	- - -
5	Development Committee	-	-	-
6	Discipline and welfare Committee	James Chuchu Sirado Adan Habiba Liban	Chairperson Member Member	- - -
7	Adhoc Committee (if any during the year)	-	-	-

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Halima S. Godana	TSC No.456762
2	Deputy Principal	Adan Godana	TSC No.442747
3	School Bursar	Winnie Onywoki	ID No. 27543943
4	Other (specify)		

(e) Schools contacts

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

(f) School Bankers

Provide details of the school bankers.

Name of Bank: Equity
 Branch: Isiolo
 Account No 0410295286724-Main account
 Postal Address.

Name of Bank: Equity
 Branch: Isiolo
 Account No 0410278975015-CDF account
 Postal Address.

Name of Bank: Equity
 Branch: Isiolo
 Account No 0410263297991-Development account
 Postal Address.

Name of Bank: Consolidated
 Branch: Isiolo
 Account No 10111203000045- Tuition
 Postal Address. 102

Name of Bank: Consolidated
Branch: Isiolo
Account No 10111203000046- Operation
Postal Address. 102

Name of Bank: Consolidated
Branch: Isiolo
Account No 10111203000189- Infrastructure
Postal Address. 102

Name of Bank: Family bank
Branch: Isiolo
Account No 070000013955- Main Account
Postal Address. 74145-00200

(g) Independent Auditors

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

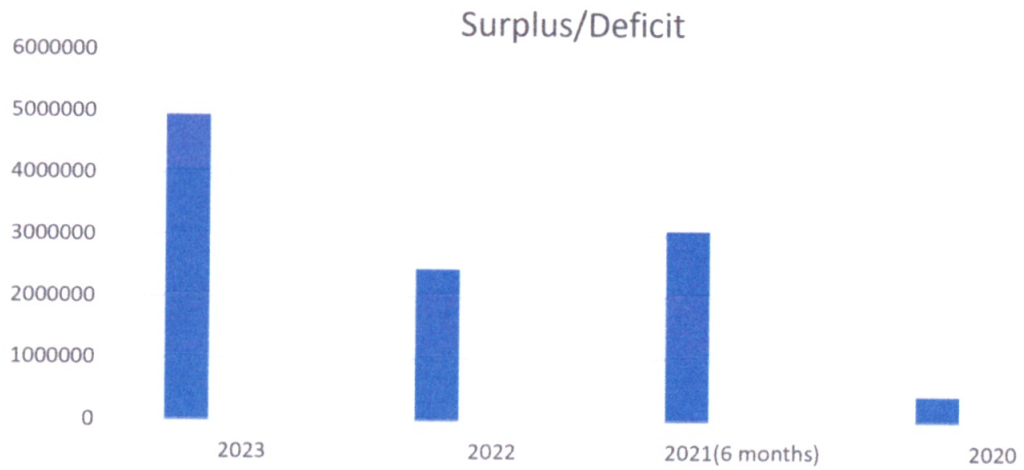
3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

- The table below shows Surplus/ deficit for the year and a comparison of the same for the last three years

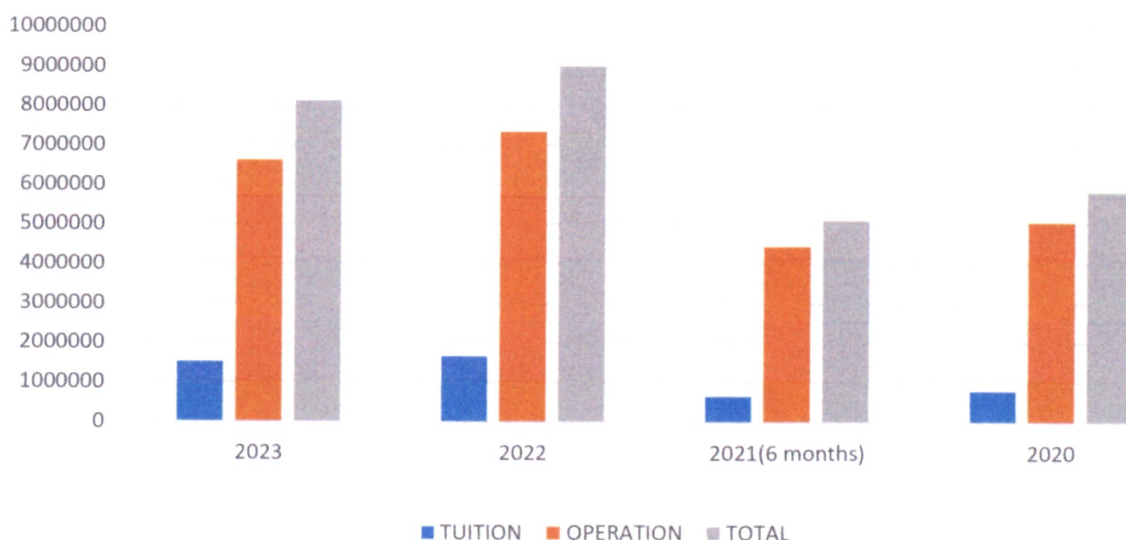
YEAR	2023	2022	2021 (6 months)	2020
Surplus/Deficit	4,947,245.00	2,455,468.00	3,091,180.00	427,070.00
Variance	2,491,777.00	(635,712.00)	2,664,111.00	-



- The table below shows Capitation grants from the Ministry of Education for the last three years.

YEAR	2023	2022	2021 (6 months)	2020
TUITION	1,515,489.00	1,663,726.00	653,487.00	792,229.00
OPERATION	6,624,869.00	7,346,342.00	4,448,074.00	5,049,925.00
TOTAL	8,140,358.00	9,010,069.00	5,101,561.00	5,842,154.00
INCREASE/DECREASE	(869,711.00)	3,908,508.00	(740,593.00)	-

Capitation



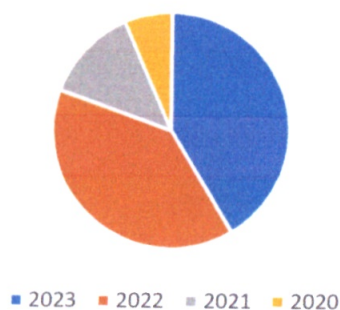
Ratio of capitation grant per student for the last three years

YEAR	2023	2022	2021	2020
TOTAL CAPITATION	8,140,358.00	9,010,069.00	5,101,561.00	5,842,154.00
POPULATION	564	557	486	428
	1:14,433	1:16,176	1:10,497	1:13,650

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

YEAR	2023	2022	2021	2020
OTHER INCOMES	15,478,607.00	14,667,959.00	4,840,992.00	2,467,725.00
INCREASE/DECREASE	810,648.00	9,826,967.00	2,373,267.00	-

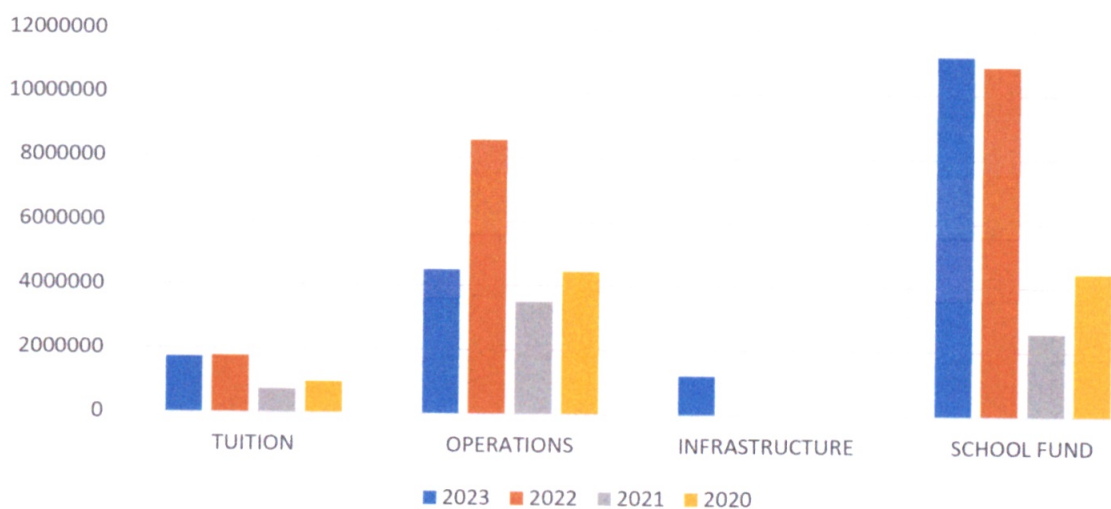
OTHER INCOMES



- The table below shows a three-year overview of growth in expenditure of the school

YEAR	2023	2022	2021	2020
TUITION	1,726,260.00	1,775,054.00	742,154.00	964,110.00
OPERATION	4,501,374.00	8,558,009.00	3,514,334.00	4,445,712.00
INFRASTRUCTURE	1,225,040.00	-	-	-
SCHOOL FUND	11,219,046.00	10,889,497.00	2,594,885.00	4,472,987.00
TOTAL	18,671,620.00	21,222,560.00	6,851,373.00	9,882,809.00
INCREASE/DECREASE	(2,550,940.00)	14,371,187.00	(3,031,436.00)	-

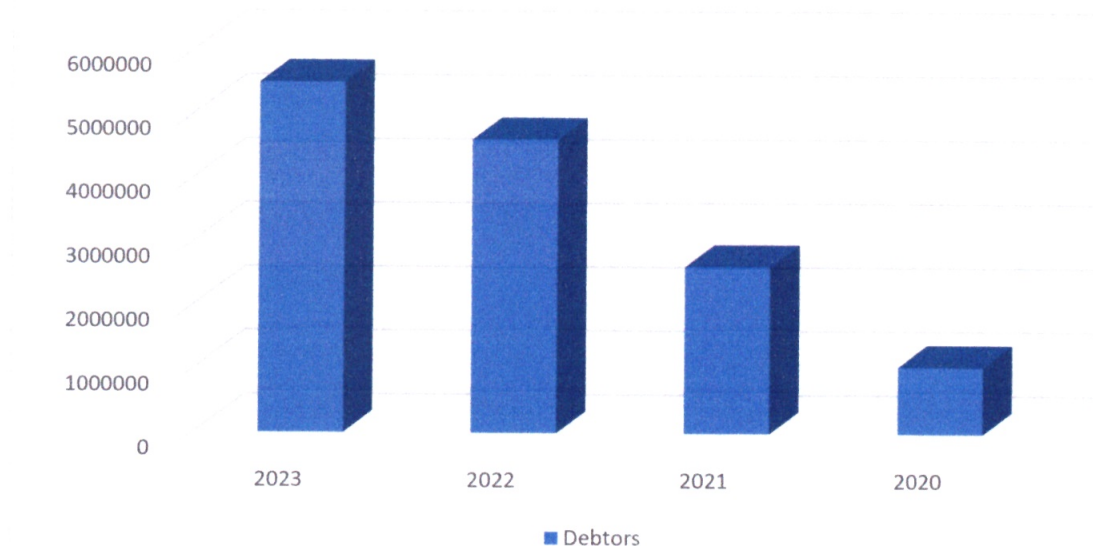
Expenditure



- The table below shows Movement of debtors of the school over the last three years

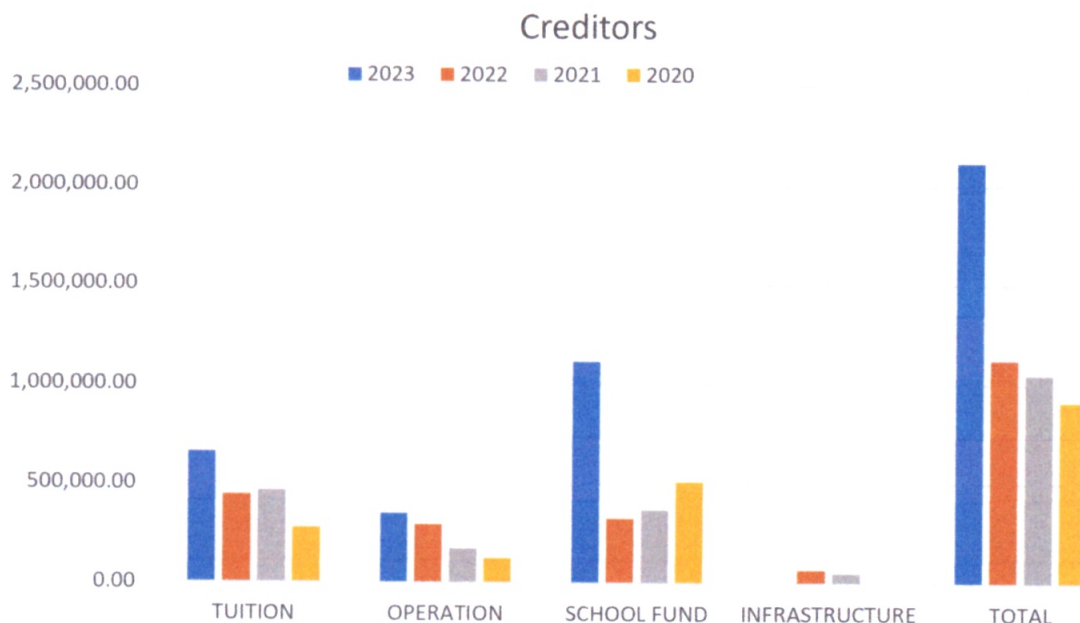
YEAR	2023	2022	2021	2020
DEBTORS	5,485,848.00	4,595,267.00	2,611,904.00	1,045,991.00
INCREASE/DECREASE	890,581.00	1,983,363.00	1,565,913.00	-

Debtors



- The table below shows movement of creditors of the school over the last three years.

YEAR	2023	2022	2021	2020
TUITION	656,650.00	443,474.00	463,880.00	277,500.00
OPERATION	348,977.00	291,297.00	171,554.00	124,300.00
SCHOOL FUND	1,114,610.00	325,530.00	367,350.00	510,420.00
INFRASTRUCTURE	-	66,000.00	50,000.00	-
TOTAL	2,120,237.00	1,126,301.00	1,049,310.00	912,220.00
INCREASE/DECREASE	993,936.00	76,991.00	137,090.00	-



b) Teacher Student ratio:

The table below shows the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers transferred/retired, number of teachers employed by TSC, and number employed by BOM.

Number of students	Number of teachers	Ratio	No of teachers recruited and posted	Transferred	Retired	BOM	No of teachers employed by TSC
564	26	1:22	0	0	0	2	24

Teachers for each subject in order to indicate shortage /allocation of resources as tabulated below.

SUBJECT	ENG	KISW	MATH	BIO	CHEM	PHY	GEO	HIST	IRE	CRE	AGRI	BUS	COMP
No of teachers	4	3	5	3	3	5	3	3	1	3	3	2	1
No of teachers expected	4	3	4	3	3	3	3	2	2	2	2	2	1
Shortage/Surplus	-	-	1	-	-	2	-	1	-1	1	1	0	0

The enrolment of the school has increased which has also increased the CBE.IRE teacher is required.

c) Mean score in the 2022 KCSE:

Performance of the school in the last three years

Entry	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	W	Y	P	U	M.SCORE 2022
111	0	0	0	0	1	2	9	13	13	34	34	4	1	0	0	0	0	3.34

Negative deviation of 0.44

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

Negative deviation of 0.33

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

Positive deviation of 0.59

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

d) Number of Candidates in the 2022 KCSE:

YEAR	NO OF CANDIDATES
2022	111
2021	97
2020	94
2019	85

e) Capacity of the school:

WASO DAY SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

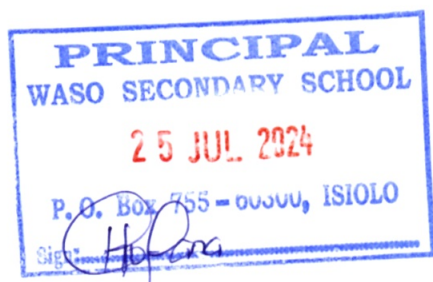
Number of students	Administration block	Classrooms	Kitchen	Laboratories	Toilet	Dining Hall
564	1	14	1	2	20	1

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Ksh.s)	Amount Spent (Ksh.s)	Expected completion time
Purchase of lockers and chairs	MOE- FDSE	Completed	450,000.00	450,000.00	N/A
Construction of cabinets in the laboratory, curriculum office and bursars office.	MOE- FDSE	Completed	283,330.00	283,330.00	N/A

HALIMA S. GODANA.....

School Principal



4. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

.....
Mohamed B. Ali

Name:

Designation: Chairman, School Board of Management

Date:

25/7/2024

.....
H. Godana

Name: HALIMA-S. GODANA

Designation: School Principal & Secretary to Board of Management

Date:

25/7/2024



.....
W. Dntwoki

Name: WINNIE DNTWOKI

Designation: Bursar/ Finance Officer

Date:

25/7/2024

REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON WASO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - ISIOLO COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Waso Secondary School - Isiolo County set out on pages 1 to 23, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023 and the statement of receipts and payments,

Report of the Auditor-General on Waso Secondary School for the year ended 30 June, 2023 - Isiolo County

statement of cash flows and the 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 the Waso Secondary School - Isiolo County as at 30 June, 2023 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 Public Finance Management Act, 2012 and Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

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

Financial Statement Component	Amount as per the statement of receipts and payments (Kshs)	Amount as per the statement of cashflows (Kshs)	Variance (Kshs)
School Fund Income-Parents Contribution	14,089,947	9,080,447	5,009,500
Payment for Tuition	1,726,260	1,513,084	213,176
Payment for Operation	4,501,374	4,592,174	90,800
Boarding and School Fund Payments	11,219,046	10,449,965	769,081

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

2. Unsupported Cash and Cash Equivalents Balance

As previously reported, the statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,243,936 as disclosed in Notes 10 and 11 to the financial statements. Review of cash and bank records revealed that the balances were not supported by ledger, cashbooks and cash survey reports. Further, bank reconciliation statements presented for audit had hand alterations which were not acknowledged and approved.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.1,243,936 could not be confirmed.

3. Long Outstanding Accounts Receivable

The statement of financial assets and financial liabilities reflects account's receivables balance of Kshs.20,451,360 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, included in the balance are receivables amounting to Kshs.14,903,712 which had been outstanding for more than one year.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.20,451,360 could not be confirmed.

4. Unsupported Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.2,738,362 as disclosed in Note 14 to the financial statements. Included in the payables is prepaid fees amounting to Kshs.618,125 which could not be confirmed as the supporting documents were not provided for audit.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.2,738,362 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total revenue budget of Kshs.20,601,560 against actual receipts of Kshs.23,618,965 resulting in over-collection of Kshs.3,017,405 or 15 % of the budget. However, the School spent Kshs.18,671,720 against actual receipts of Kshs.23,618,965, resulting to an under-utilization of Kshs.4,947,245 or 21% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The audit report for the previous year highlighted several issues in respect of the Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Control, Risk Management and Governance. The issues had not been resolved as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

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

The statement of receipts and payments reflects boarding and school fund payments of Kshs.11,219,046 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.399,000 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.399,000 could not be confirmed.

2. Excess Supply of Textbooks

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed one thousand eight hundred and forty-four (1,844) books to the School while only one thousand five hundred and forty-four (1,544) books were issued to the students, resulting to an unexplained excess text books of three hundred (300) books in the School store. Further, some books issued in the financial year 2017/2018 were still lying in the store as they were no longer in use.

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

3. Failure to Prepare School Improvement Plan

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

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

4. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, operations and infrastructure grants totalling Kshs.8,140,358. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2022-2023, NEMIS reflected five hundred and thirty-seven (537) students while records from the County Director of Education had five hundred and seventy-nine (579) students, resulting to unregistered forty-two (42) students. Management indicated that the students were not registered as a result of lack of birth certificates and cases of over aged students. The under-registration in NEMIS may have resulted to an underfunding of the School by an amount of Kshs.933,408. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Incomplete Assets Register

Review of the fixed assets register revealed that the school owns assets valued at Kshs.32,408,429. However, the register was incomplete as it lacked important details such as date of acquisition.

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

2. Lack of Land Ownership Documents

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

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

3. Lack of Audit Committee Meetings

During the year under review, the School had constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. However, no meeting was held during the year to deliberate on the audit reports by the internal audit.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 November, 2024

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Ksh.s	Ksh.s
Receipts			
Government grants for tuition	1	1,515,489.00	1,663,726.00
Government grants for operations	2	4,410,869.00	7,346,343.00
Government Grants for infrastructure	3	2,214,000.00	-
School fund income- parents' contributions	4	14,089,947.00	11,444,385.00
Miscellaneous incomes	5	1,388,660.00	3,223,574.00
Total Receipts		23,618,965.00	23,678,028.00
Payments			
Tuition	6	1,726,260.00	1,775,054.00
Operations	7	4,501,374.00	8,558,009.00
Infrastructure	8	1,225,040.00	-
Boarding and school fund	9	11,219,046.00	10,889,497.00
Total Payments		18,671,720.00	21,222,560.00
Surplus/Deficit		4,947,245.00	2,455,468.00

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

Name: Mohamed B. Ali

Chair BOM

Sign: [Signature]

Date: 25/7/2024

Name: HALIMA S. GDANA

School Principal/ Secretary to BOM

Sign: [Signature]

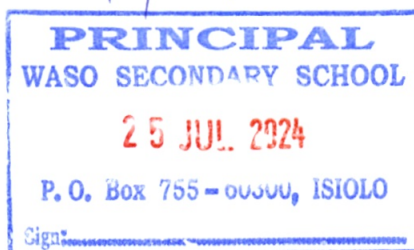
Date: 25/7/2024

Name: LWINNIE D. SIBOKA

Bursar/ Finance Officer

Sign: [Signature]

Date: 25/7/2024



7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2023

Description	Note	2022-2023	2021-2022
		Ksh.s	Ksh.s
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,243,413.00	314,948.00
Cash balances	11	523.00	17,307.00
Short term investments	12	-	-
Total cash and cash equivalent		1,243,936.00	332,255.00
Account's receivables	13	20,451,360.00	15,447,612.00
Total financial assets		21,695,296.00	15,779,867.00
Financial liabilities			
Accounts payables	14	2,738,362.00	1,770,178.00
Net financial assets		18,956,934.00	14,009,689.00
Represented by			
Accumulated fund b/fwd	15	14,009,689.00	11,554,221.00
Surplus/deficit for the year		4,947,245.00	2,455,468.00
Net financial position		18,956,934.00	14,009,689.00

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

Name: Mohamed B. Al

Chair BOM

Sign: [Signature]

Date: 25/7/2024

Name: HALIMA S. GEDANA

School Principal/ Secretary to

BOM

Sign: [Signature]

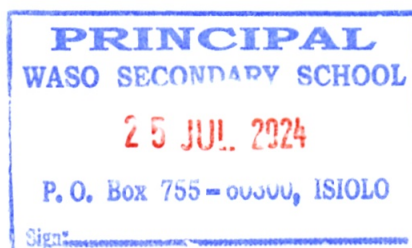
Date: 25/7/2024

Name: WINNIE OCHWOKI

Bursar/ Finance Officer

Sign: [Signature]

Date: 25.7.2024



8. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	2022-2023	2021-2022
		Ksh.s	Ksh.s
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,515,489.00	1,663,726.00
Government grants for operations	2	4,410,869.00	7,346,343.00
Government grants for infrastructure	3	2,214,000.00	-
School fund income- parents contributions/ fees	4	9,080,447.00	7,693,735.00
Other income	5	1,388,660.00	3,223,574.00
Total receipts		18,609,465.00	19,927,378.00
Payments			
Cash outflows for tuition	6	1,513,084.00	1,774,460.00
Cash outflows for operations	7	4,592,174.00	6,781,847.00
Cash outflows Boarding/lunch and school fund payments	9	10,449,965.00	11,078,117.00
Total payments		(16,555,224.00)	(19,634,424.00)
Net cash inflow from operating activities		2,054,241.00	292,954.00
Cash flow from investing activities			
Acquisition of assets	8	(1,142,560.00)	(1,648,945.00)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(1,142,560.00)	(1,648,945.00)
Cash flow from Financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		911,681.00	(1,355,991.00)
Cash and cash equivalent at beginning of the FY		332,255.00	1,688,246.00
Cash and cash equivalent at end of the FY		1,243,936.00	332,255.00

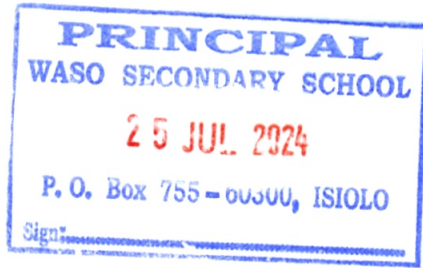
The school's financial statements were approved on 25/7/2024 and signed by:

Name: Mohamed B Ali

Chair BOM
Sign: [Signature]
Date: 25/7/2024

Name: HALIMA S. GODWA
School Principal/ Secretary to
BOM
Sign: [Signature]
Date: 25/7/2024

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



9. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	119,560.00	-	119,560.00	90,929.00	76%
Exercise Books	1,140,000.00	-	1,140,000.00	848,674.00	74%
Laboratory Equipment	250,000.00	-	250,000.00	181,859.00	73%
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Exams And Assessment	375,000.00	-	375,000.00	287,943.00	77%
Chalks	146,000.00	-	146,000.00	106,084.00	73%
Total	2,030,560.00	-	2,030,560.00	1,515,489.00	75%
(2) Capitation Grant on Operations					
Personnel Emoluments	2,566,272.00	-	2,566,272.00	2,230,118.00	87%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	700,000.00	-	700,000.00	602,937.00	86%
Electricity And Water	654,000.00	-	654,000.00	563,036.00	86%
Medical&insurance	980,000.00	-	980,000.00	110,300.00	11%
Administration Costs	685,728.00	-	685,728.00	596,615.00	87%
Activity	735,000.00	-	735,000.00	307,863.00	42%
Gratuity	-	-	-	-	-
Total	6,321,000.00	-	6,321,000.00	4,410,869.00	70%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s
3) FDSE for infrastructure					
Maintenance & Improvement MoE	2,450,000.00	-	2,450,000.00	2,214,000.00	90%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
Total	2,450,000.00	-	2,450,000.00	2,214,000.00	90%
(4) Fees Charged on Parents					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	-	-	-	-	-
Lunch Programme	9,800,000.00	-	9,800,000.00	14,089,947.00	144%
5) Miscellenous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-

WASO DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
TSC Isiolo County(SBTSS)	-	-	-	1,388,660.00	-
Total Income	20,601,560.00	-	20,601,560.00	23,618,965.00	115%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	119,560.00	-	119,560.00	6,400.00	5%
Exercise Books	1,140,000.00	-	1,140,000.00	647,700.00	57%
Laboratory Equipment	250,000.00	-	250,000.00	589,800.00	236%
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Chalks	146,000.00	-	146,000.00	69,920.00	48%
Exams And Assessment	375,000.00	-	375,000.00	410,400.00	109%
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	2,040.00	100%
Total	2,030,560.00	-	2,030,560.00	1,726,260.00	85%
(7) Expenditure For Operations					

WASO DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s
Personnel Emoluments	2,566,272.00	-	2,566,272.00	2,563,166.00	100%
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	700,000.00	-	700,000.00	479,300.00	68 %
Electricity, Water and Conservancy	654,000.00	-	654,000.00	462,039.00	71%
Medical	980,000.00	-	980,000.00	12,000.00	1%
Administration Costs	685,728.00	-	685,728.00	793,519.00	116%
Activity Expenses	735,000.00	-	735,000.00	191,350.00	26%
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
Total	6,321,000.00	-	6,321,000.00	4,501,374.00	71%
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Construction of 1no classroom	1,100,000.00	-	1,100,000.00	-	-
Purchase of furniture and repairs	690,000.00	-	690,000.00	1,223,720.00	177%
CCTV Installation	360,000.00	-	360,000.00	-	-
Purchase of water tanks	300,000.00	-	300,000.00	-	-
Repairs and renovations	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Bank charges		-		1,320.00	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s
Total	2,450,000.00	-	2,450,000.00	1,225,040.00	50%
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	9,800,000.00	-	9,800,000.00	9,882,671.00	101%
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
TSC Isiolo County(SBTSS	-	-	-	1,336,375.00	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s
Totals	20,603,600.00	-	20,603,600.00	18,671,720.00	91%

- i. The school realised 115% of the budgeted income during the year.
- ii. The school incurred 91% of the budgeted expenditure during the year.
- iii. There was underutilisation of funds in many vote heads since the government had not released full capitation of Kshs. 22,244 per student for the financial year 2022/2023.
- iv. Due to increase in prices there was over utilisation of funds in many voteheads.
- v. Under lunch programme there was overutilization of funds due to fees areas which was not realised during the year.

10. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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 (Ksh.s). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

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

3. In-kind contributions

There was no in kind contribution during this period ending 30th June 2023.

4. Cash and cash equivalents

Cash and cash equivalents comprised cash in hand of Ksh..523.00 and cash at bank of Ksh.. 1,243,413.00. In the seven bank accounts maintained and shown in note 10, the development account and CDF account were not active

Significant Accounting Policies (Continued)

5. Accounts Receivable

This was in form of fees arrears amounting to Ksh.. 20,389,560 as at the end of the financial year 2023 and imprest of Ksh.. 38,000 and examination fees payable of Ksh.. 23,800.

6. Accounts Payable

This was in form of fees paid in advance of Ksh.. 618,125 and trade creditors of Ksh.. 2,091,840 and unpaid statutory deductions of Ksh.. 28,397.

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

The comparative figures for the financial year 2023 are compared with the figure in the financial year 2022.

10. Subsequent events

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

11. NOTES TO THE FINANCIAL STATEMENTS

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Reference Materials	90,929.00	62,243.00
Exercise Books	848,674.00	694,230.00
Laboratory Equipment	181,859.00	359,646.00
Internal Exams	-	-
Teaching / Learning Materials	-	183,510.00
Chalks	106,084.00	114,570.00
Exams and Assessment	287,943.00	249,527.00
Total	1,515,489.00	1,663,726.00

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Personnel Emoluments	2,230,118.00	2,760,179.00
Repairs And Maintenance	-	2,683,250.00
Local Transport / Travelling	602,937.00	664,857.00
Electricity And Water	563,036.00	494,884.00
Medical	110,300.00	97,800.00
Administration Costs	596,615.00	645,373.00
Activity	307,863.00	-
Other Vote Heads (specify)*	-	-
Total	4,410,869.00	7,346,343.00

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Maintenance & Improvement	2,214,000.00	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Total	2,214,000.00	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Lunch programme	14,089,947.00	11,444,385.00
PA Levies*	-	-
Prepaid fees	-	-
Total	14,089,947.00	11,444,385.00

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
TSC Isiolo county	-	223,574.00
CDF Isiolo-Laboratory equipment	-	3,000,000.00
TSC Isiolo county(SBTSS)	1,388,660.00	-
Total	1,388,660.00	3,223,574.00

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Exercise Books	647,700.00	762,000.00
Textbooks	-	9,800.00
Reference materials	6,400.00	-
Laboratory Equipment	589,800.00	392,144.00
Teaching / Learning Materials	-	97,910.00
Exams And Assessment	410,400.00	418,740.00
Teachers Guides	-	-
Bank Charges	2,040.00	960.00
Chalks	69,920.00	93,500.00
Total	1,726,260.00	1,775,054.00

7 Operations

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Personnel Emoluments	2,563,166.00	3,134,374.00
Service Gratuity	-	65,180.00
Administration Cost	793,519.00	1,405,633.00
Repairs And Maintenance & Improvements	-	2,957,909.00
Local Transport / Travelling	479,300.00	602,400.00
Electricity And Water	462,039.00	344,658.00
Medical	12,000.00	4,700.00
Activity Expenses	191,350.00	-
Insurance Cost	-	41,285.00
Bank charges	-	1,870.00
Total	4,501,374.00	8,558,009.00

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	533,330.00	-
Purchase of equipment	690,390.00	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Administration cost	1,320.00	-
Total	1,225,040.00	-

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Personnel Emoluments	887,606.00	173,300.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	288,970.00	344,260.00
Local Transport / Travelling	281,700.00	10,000.00
Electricity And Water	194,954.00	15,480.00
Medical Expenses	2,900.00	-
Administration Costs	818,904.00	615,672.00
Lunch Programme	7,306,607.00	6,467,012.00
Bank Charges-CDF account	-	813.00
Bank Charges- Development account	2,000.00	-
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Activity	99,030.00	-
Kenya Primary Priede		39,960.00

WASO DAY SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

TSC Isiolo County	-	223,000.00
TSC Isiolo County(SBTSS)	1,336,375.00	-
Laboratory Equipment	-	3,000,000.00
Total	11,219,046.00	10,889,497.00

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Ksh.s	Ksh.s
Tuition Account	Active	10111203000045	3,086.00	681.00
Operations Account	Active	10111203000046	70,161.00	92,336.00
School Fund Account/Boarding-Equity Bank	Active	0410295286724	269,157.00	146,310.00
School fund Account/Boarding-Family Bank	Active	070000013955	(5,102.00)	-
Savings Account			-	-
Parent Association Development Account	Dormant	0410263297991	2,790.00	4,790.00
Income Generating Activities Account			-	-
Infrastructural Account	Active	10111203000189	902,772.00	70,282.00
Constituency development account	Dormant	0410278975015	549.00	549.00
Total			1,243,413.00	314,948.00

11 Cash In Hand

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Notes and Coins	523.00	17,307.00
Total	523.00	17,307.00

12 Short Term Investments

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Fees Arrears	20,389,560.00	15,390,812.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	38,000.00	33,000.00
Rent arrears (list/schedule attached)	-	-
Examination fees	23,800.00	23,800.00
Total	20,451,360.00	15,447,612.00

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Ksh.s		Ksh.s	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,485,848.00	27%	4,595,267.00	30%
Between 1- 2 years	4,108,167.00	20%	2,346,904.00	15%
Between 2-3 years	2,346,904.00	12%	704,219.00	5%
Over 3 years	8,448,641.00	41%	7,744,422.00	50%
Total (should tie to note 13 a)	20,389,560.00	100%	15,390,812.00	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Trade Creditors (See Ageing Below and Appendix 1)	2,091,840.00	1,126,301.00
Prepaid Fees	618,125.00	643,877.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	28,397.00	-
Caution money	-	-
Other payables (specify)	-	-
Total	2,738,362.00	1,770,178.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Ksh.s		Ksh.s	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,091,840.00	100%	1,126,301.00	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	2,091,840.00	100%	1,126,301.00	100%

15 Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Ksh.s		Ksh.s	
Bank Balances	314,948.00		1,519,587.00	
Cash Balances	17,307.00		168,659.00	
Short Term Investments	-		-	
Receivables	15,447,612.00		11,060,545.00	
Payables	(1,770,178.00)		(1,194,570.00)	
Total	14,009,689.00		11,554,221.00	

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Ksh.s	Ksh.s
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

*The schools biological assets have not been valued.

18 Borrowings

Description	Ksh.s	Ksh.s
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Ksh.s	Ksh.s
Food stuffs	22,566.00	71,985.00
Lab consumables	40,170.00	29,460.00
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Stationaries	101,560.00	44,000.00
	164,296.00	145,445.00

20 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Accuracy and presentation of financial statements-	We appreciate the advice given and we hereby undertake to amend the financial statement as advised so that all issues raised by your team can be addressed before the audit is finalised. The above errors were due to the fact that the reporting standards were new and we have now fully understood the template, we assure you that the same mistakes will not be repeated in the future.	Not resolved	
2.	Budgetary control and performance	Underutilisation was due to shortfall in government capitation and poor fees collection. Fees collection is a challenge and student cannot be sent home due to government policy of 100% transition. Budgetary reviews were not done as we waited for capitation from the ministry up to the last day as we pushed the parents to clear the balances. Over utilisation noted was partly due to shortage of teachers which prompted	Not Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		the BOM to engage teachers which became a huge drain to our finances further. Overutilization was caused by inflation and escalation of food prices and other consumables. All the above was happening when the fees collected remained the same.		
3.	Accuracy on student enrolment data	Most students lack birth certificate and parents data which is a requirement for Nemis enrolment also students who are above 18 years and repeaters cannot be captured. However the school has succeeded in obtaining some of the birth certificate, we hope that the ministry of education will review the policy on capturing the repeaters and overage students	Not resolved	
4.	Unaccounted for funds transferred to KSSHA	The funds were transferred to support co-curriculum activities with knowledge and approval of the ministry of education. The budget is managed by Kessha officials and ministry of education officials from the sub-county, county and regional levels. We cannot fail to support co-curriculum activities	Not resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>when called upon by the ministry of education. It's our hope that the guideline to streamline how school are going to participate in co-curriculum activities will be issued by the cabinet secretary to address this issues once and for all.</p>		
5.	<p>Inadequate support documentation for payment voucher a) Lack of inspection and acceptance committee</p>	<p>There were no minutes of inspection and acceptance committee. This is due to capacity gaps e.g. lack of procurement officer and store keeper due to financial challenges. However, to strengthen internal control in receiving of goods other key officials were requested to receive goods from time to time e.g. science teachers and lab assistant received chemicals and apparatus, stationaries were received by the librarian while the head cook received food. All delivery notes were signed by receiving officers after verifying the deliveries note against the purchase order. Going forward we promise to amend and use the inspectors acceptance committee as required.</p>	Not resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	b) Lack of ETR invoices	Most suppliers of low value goods who are required by law to issue ETR receipts within our locality did not have the capacity to issue the same because they comprised of vegetable vendors, firewood carts and local farmers. We have been trying to guide them to enhance compliance but with little success. Procuring from outside is uneconomical due to transport cost; we will however put more effort to identify suppliers who can issue ETR receipts.	Not resolved	
	c) Dormant accounts	The school was still hoping to receive more funding from CDF and was not in a hurry to close the account. The accounts will be closed as advised by the audit team.		
	d) Ledgers and accountable documents	According to the school accounting systems as contained in handbook of financial management instructions revised 2006 provides for posting of monthly cashbooks totals to general ledgers to facilitate preparation of monthly trial balance. Posting individual transaction to ledger will be duplication of cash	Not resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>book. There were no cash survey report but before monthly trial balance is signed a cash count is normally done and monthly balance reconciliation statement verified by both the principal and the bursar. Going forward monthly cash survey certificate will be prepared as advised by the team.</p>		
	<p>e) Lack of segregation duties</p>	<p>There was no proper segregation of duty to the capacity gaps. The school did not have capacity to employ many people in accounts to ensure segregation of duties. However, the accounts clerk was under the supervision of the accounting officer and all payments were authorised by the principal. The principal also kept some of the accountable documents such as cheque books and unused receipt books periodically checked the cashbooks and unused receipt books, periodically checked the cash books and signed monthly trial balances. The cheques were usually signed by two BOM members and the principal to further</p>	<p>Not resolved</p>	

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		strengthen internal controls. The school will engage extra personnel when funds are available. The school will engage extra personnel when funds are available.		
	f) Accounts receivable	The errors were not deliberate and they are being rectified and the same will be reconciled in the financial statements	Not resolved	
	g) Accounts payables	Prepaid fees is being rectified and appropriate reconciliation will be done in the financial statements	Not resolved	
	h) Asset management , weak controls over management of fixed assets	Lack of valuation report is due to financial implication of the undertaking. The school has decided to carry all assets at historical cost. The cost of valuation was beyond the reach of the school is waiting for MOE to assist in valuation of all assets. The school has decided to tag all assets. Some of the school assets like administration block, science and computer lab were insured through KCB insurance agency attached find the premium.	Not resolved	
	i) Lack of asset	It is true that the school		

WASO DAY SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	ownership documents	lacks a title deed. Records are there to show the size of the school land PDP had been developed. plan for issuance of title deed within Isiolo is underway and the school is hoping to get one when the registration reaches the school locality. All land in Isiolo county has just started to be registered.		

Name: HALIMA S. GODANA

Principal
Sign: *Halima*

Date:



WASO DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	A	b	C	d=a-c		
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s	
Construction Of Buildings						
Sub-Total						
Supply Of Goods						
1. Waso Central Emporium	148,480.00	02/10/2022-22/02/2023	-	148,480.00		
2. Fire Chief Ltd	30,100.00	27/02/2023	-	30,100.00		
3. Grade Booster Education Agency	127,900.00	24/01/2023	100,000.00	27,900.00		
4. Grade Booster Education Agency	114,100.00	19/05/2023		114,100.00		
5. Nuru milk Supply	65,625.00	30/06/2023	-	65,625.00		
6. Nuru milk Supply	50,625.00	20/4/2023	-	50,625.00		
7. Kims Broadway Depot	11,760.00	30/06/2023	-	11,760.00		
8. Destiny Investment	23,280.00	30/06/2023	-	23,280.00		
9. Gods Favour Butchery and Hotel	103,600.00	30/06/2023	-	103,600.00		

WASO DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
10. Naiwa Shop	221,500.00	05/06/2023	-	221,500.00		
11. Amki Store	124,900.00	06/06/2023	-	124,900.00		
12. Amki Store	15,000.00	25/05/2023	-	15,000.00		
13. Amki Store	122,150.00	09/05/2023	-	122,150.00		
14. Amki Store	179,520.00	15/03/2023	-	179,520.00		
15. Grade booster Education Agency	245,650.00	24/01/2023	49,000.00	196,650.00		
16. The mesprize Enterprises	198,000.00	04/03/2023 19/06/2023 09/03/2023	-	198,000.00		
17. Aspet School Supplies Ltd	547,250.00	14/10/2022 27/11/2022 01/12/2022 03/03/2023 10/03/2023 13,06/2023	95,000.00	452,250.00		
18. Grade Booster Education Agency	6,400.00	26/02/2023	-	6,400.00		
Sub-Total	2,335,840.00		244,000.00	2,091,840.00		
Supply Of Services						
19. NHIIF	6,750.00	22/06/2023	-	6,750.00		
20. NSSF	20,236.00	22/06/2023	-	20,236.00		
21. PAYE	1,411.00	22/06/2023	-	1,411.00		
Sub-Total	28,397.00		244,000.00	28,397.00		
Grand Total	2,364,237.00		244,000.00	2,120,237.00		

WASO DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Ksh.s) 1st July 20XX	Additions during the year (Ksh.s)	Disposals during the year (Ksh.s)	Historical Cost c/f (Ksh.s) 30th June 20XX
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

(The school has ensured that a detailed fixed assets register is maintained as attached below).

WASO DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

**WASO SECONDARY SCHOOL
 FIXED ASSETS REGISTER**

DESCRIPTION OF ASSET	NUMBER	YEAR OF CONSTRUCTION/PURCHASE	HISTORICAL COST (KSHS)
LAND	4 HECTARES		-
ADMINISTRATION BLOCK	1	2012	3,394,610.00
COMPUTER LABORATORY	1	2014	1,000,000.00
SCIENCE LABORATORY	1	2014	4,000,000.00
MULTI-PURPOSE HALL	1	2015	6,000,000.00
CLASSROOM	2	2011	1,400,000.00
CLASSROOM	2	2011	1,400,000.00
CLASSROOM	2	2014	1,424,095.00
CLASSROOM	2	2018	2,000,000.00
CLASSROOM	2	2019	2,000,000.00
CLASSROOM	1	2021	1,000,000.00
DINING HALL METALLIC FORMS AND TABLES	50	2020	2,000,000.00
CHAIRS AND LOCKERS	20	2014	100,000.00
TOILET FOR BOYS	5	2022	1,050,000.00
TOILET FOR GIRLS& TEACHERS	6	2014	600,00.00
TOILET FOR GIRLS	2		600,000.00
CHAIRS AND LOCKERS	100	2023	450,000.00
STUDENT CHAIRS AND LOCKERS	50	2020	250,000.0
STUDENT CHAIRS AND LOCKERS	20	2019	92,800.00
STUDENT CHAIRS AND LOCKERS	10	2012	32,000.00
CHAIRS	30	2020	60,000.00
LOCKERS AND CHAIRS	20	2014	100,000.00
SAFARI 3 SEATER SOFA	1	2016	29,499.00
COFFEE TABLE TABLE	1	2016	18,500.00
TABLE ACC CLERK	1	2014	12,000.00

WASO DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

MODERN OFFICE CHAIR	1	2015	28,000.00
OFFICE TABLE	1	2013	55,995.00
CHAIR	1	2013	9,995.00
MODERN CABINET	1	2015	47,000.00
LG DVD SYSTEM	1	2016	46,995.00
METTALIC CABINET	1	2019	20,880.00
NOTICEBOARB	1	2014	10,000.00
SEMI EXECUTIVE CHAIR	2	2016	17,990.00
VISITORS CHAIR-BLACK	2	2016	6,590.00
CONCEPT THREE SEATER	1	2016	24,995.00
VISITORS CHAIR-BLUE	2	2016	6,590.00
CONCEPT BOUNQUET CHAIR	25	2016	74,875.00
DUPLICATING MACHINE(RISO)	1	2018	397,000.00
DESKTOPS	11		1,001,600.00
UPS	11		
LAPTOP	1		
HP LASER JET	1		
LCD/DLP PROJECTOR	1		
HP LASER MFP 135 PRINTER	1	2021	36,500.00
LAPTOP	1	2021	75,000.00
LAPTOP	1	2021	39,000.00
CHAIRS(TEACHERS)	10	2021	30,000.00
HP 1510 PRINTER	1	2014	7,300.00
PAPER CUTTER	1	2014	1,700.00
KYOCERA 1800	1	2014	130,000.00
LAPTOP DELL	1	2014	47,000.00
GENERATOR	1		
SAMSUNG TV 40"	1	2019	40,800.00
PRINTER KYOCERA TASK ALFA	1	2021	170,000.00
PRINTER EPSON L3050	1	2022	25,000.00
STEEL TABLES	2	2018	10,000.00

WASO DAY SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

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