

REPUBLIC OF KENYA



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CLERK-AT THE TABLE:	KESTHER NGINYO

REPORT

OF

THE AUDITOR-GENERAL

ON

**WASO SECONDARY SCHOOL
FOR THE YEAR ENDED
30 JUNE, 2022**

ISIOLO COUNTY



**WASO SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

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

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

The school was registered in 23-10-2013 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 557 number of students as at 30th June 2022. It has 3 streams and 26 teachers of which 3 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 YARA	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	MERCY DUDI	Member Rep Teachers	16/05/2022
10	SARAH JILLO	Sponsor	16/05/2022
11	BETSY MBURUGU	Sponsor	16/05/2022
12	ABDILATIF ABDI	Sponsor	16/05/2022
13	JAMES CHUCHU	Member - Community	16/05/2022
14	HUSSEIN ABADO	Member	16/05/2022
15	HABIBA LIBAN	Member	16/05/2022
16	JOAKIM THUO	Member-Special Needs	16/05/2022
17	DAVID W. KINYUA	Member	16/05/2022
18	ISAIAH MURIIRA	Rep Students	16/05/2022

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

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule paragraph 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	Mohamed Boru	Chairperson	-
		Halima S. Godana	Secretary	-
		Betsy Mburugu	Member	-
		Halakhe Tadicha	Member	-
		Hussein Abado	PTA Chair	-
2	Audit Committee	Amina Huka	Chairperson	-
		Eliphas Bundi	Member	-
		Sarah jillo	Member	-
3	Finance, procurement and general purposes Committee	Halakhe Tadicha	Chairperson	-
		Pauline Koiya	Member	-
		Zainab Abdikadir	Member	-
4	Academic Committee	David Kinyua	Chairperson	1 out of 1
		Mercy Dudi	Member	1 out of 1
		Sirado Adan	Member	1 out of 1
5	Development Committee	-	-	-
6	Discipline and welfare Committee	James Chuchu	Chairperson	1 out of 1
		Sirado Adan	Member	1 out of 1
		Habiba Liban	Member	1 out of 1
7	Adhoc Committee (if any during the year)	-	-	-

(d) School operation Management

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

Ref:	Designation	Name	TSC Number/ID Number
1	Principal	Halima S. Godana	456762
2	Deputy Principal	Adan Badasa	442747
3	School Bursar	Winnie Onywoki	27543943

(e) Schools contacts

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

(f) School Bankers

The school operated 6 bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- Name of Bank: Equity
 Branch: Isiolo
 Account Number: 0410295286724-Main Account
- Name of Bank: Equity
 Branch: Isiolo
 Account Number: 0410278975015-CDF
- Name of Bank: Equity
 Branch: Isiolo
 Account Number: 0410263297991-Development Account
- Name of Bank: Consolidated
 Branch: Isiolo
 Account Number: 10111203000045-Tuition

5. Name of Bank: Consolidated
Branch: Isiolo
Account Number: 10111203000046-Operation

6. Name of Bank: Consolidated
Branch: Isiolo
Account Number: 10111203000189-Infrastructure

(g) Independent Auditors

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

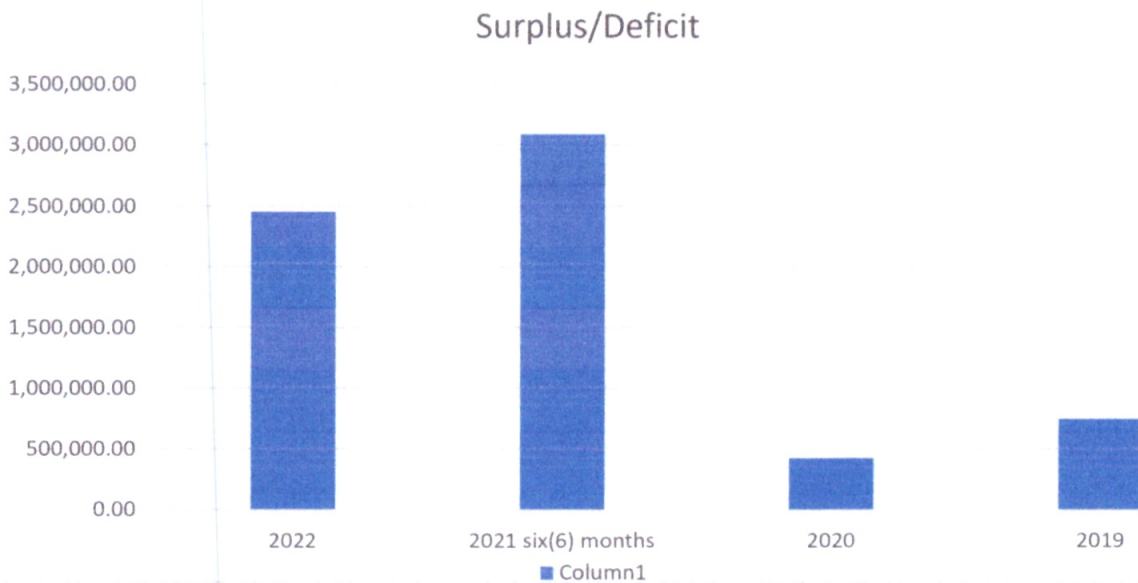
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

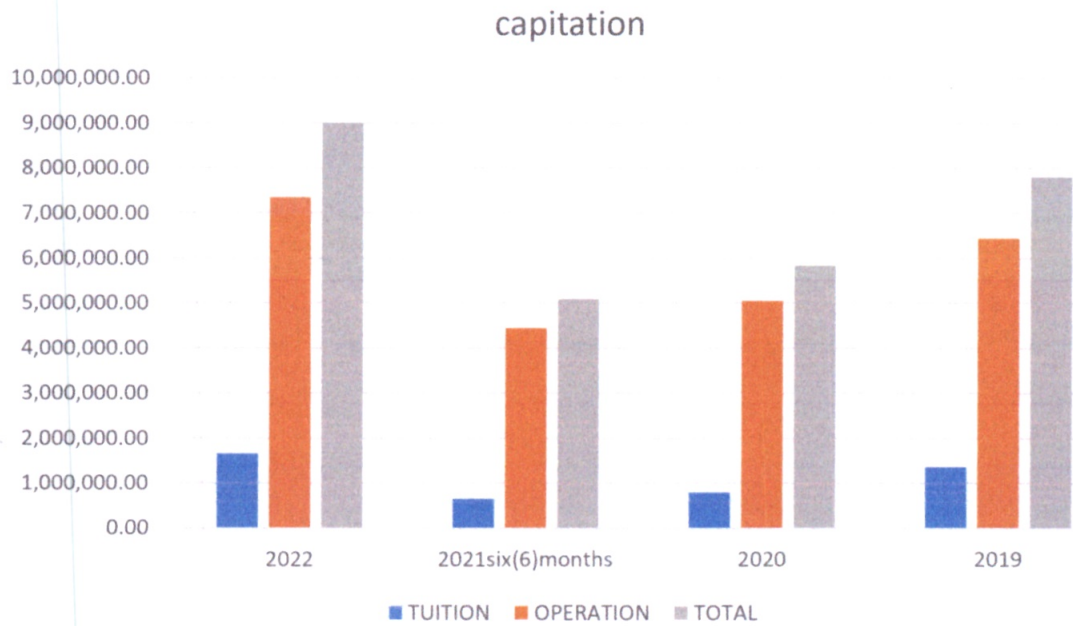
- The table below shows surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	2022	2021 six(6) months	2020	2019
Surplus/Deficit	2,455,468.00	3,091,180.00	427,070.00	751,764.00
Variance	(635,712.00)	2,664,111.00	(324,695.00)	-



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

YEAR	2022	2021 six(6) months	2020	2019
TUITION	1,663,726.00	653,487.00	792,229.00	1,364,369.00
OPERATION	7,346,342.00	4,448,074.00	5,049,925.00	6,451,893.00
TOTAL	9,010,069.00	5,101,561.00	5,842,154.00	7,816,261.00
INCREASE/DECREASE	3,908,508.00	(740,593.00)	(1,974,107.00)	1,897,727.00



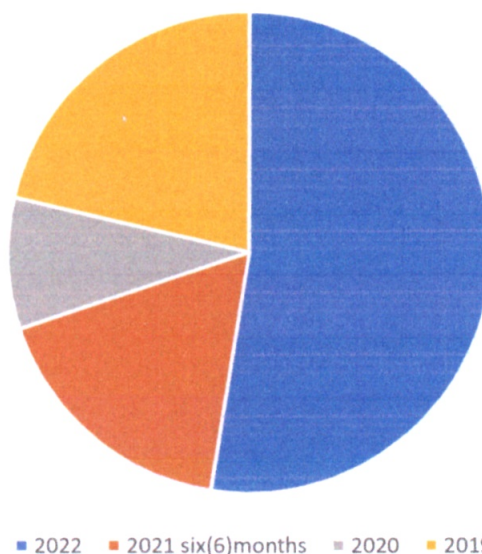
- Ratio of capitation grant per student for the last three years.

YEAR	2022	2021 Six(6) months	2020	2019
TOTAL CAPITATION	9,010,069.00	5,101,561.00	5,842,154.00	7,816,261.00
POPULATION	557	486	428	400
RATIO	1:16,176	1:10,497	1:13,650	1:19,541

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

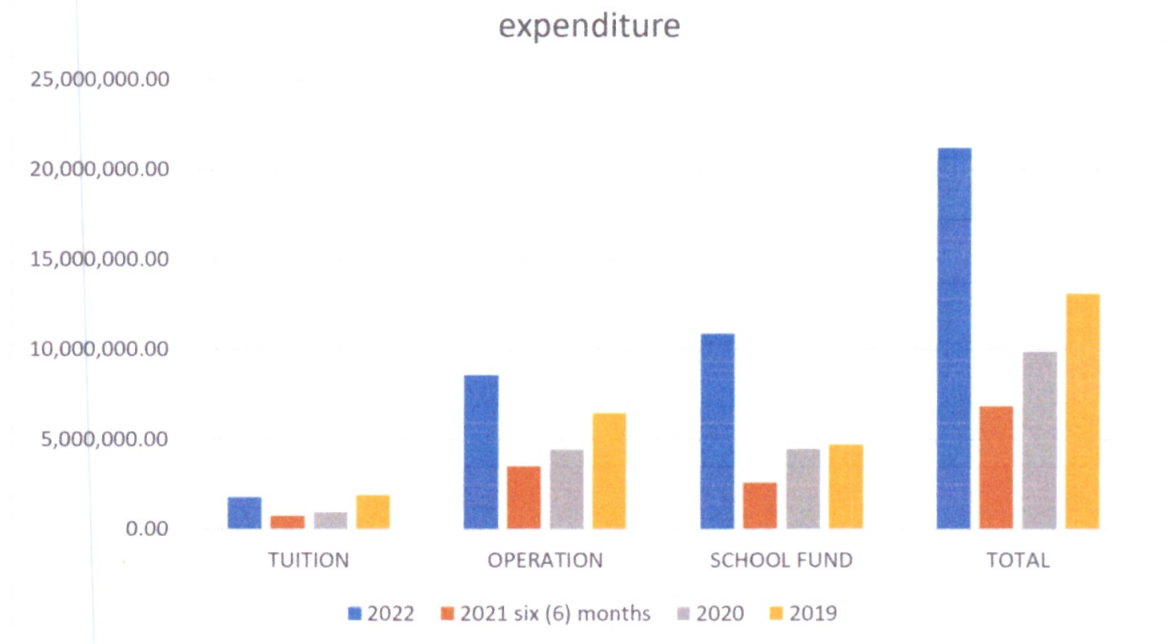
YEAR	2022	2021 six(6) months	2020	2019
OTHER INCOMES	14,667,959.00	4,840,992.00	2,467,725.00	5,948,062.00
INCREASE/DECREASE	9,826,967.00	2,373,267.00	(3,480,337.00)	-

other incomes



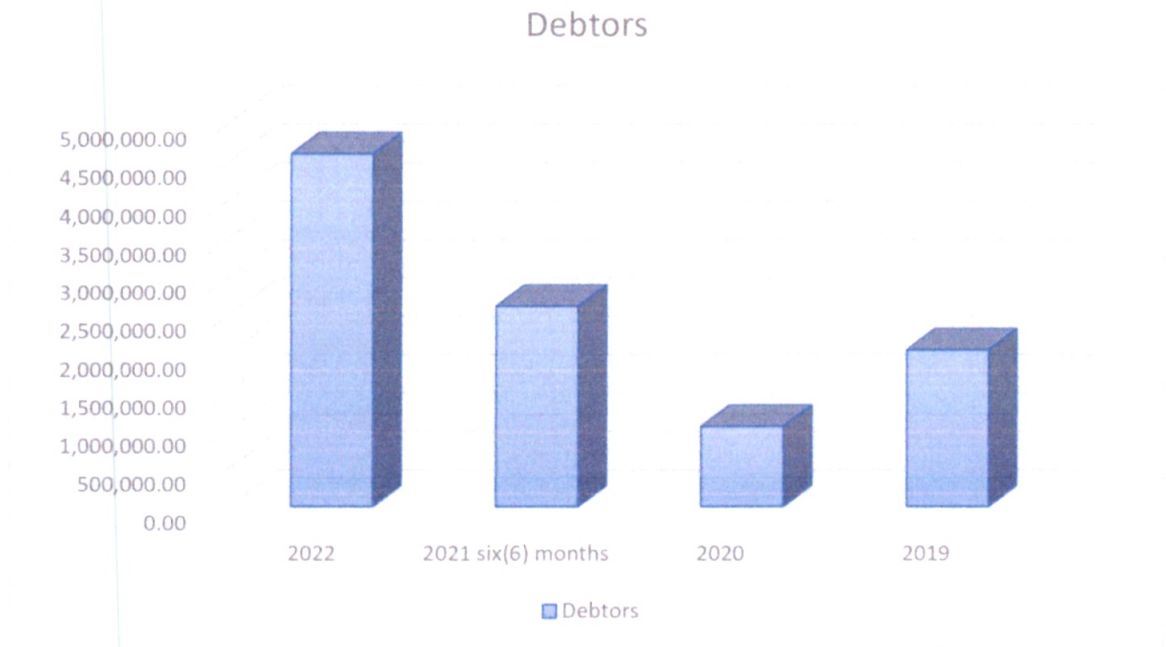
- The table below shows a three-year overview of growth in expenditure of the school

YEAR	2022	2021 six (6) months	2020	2019
TUITION	1,775,054.00	742,154.00	964,110.00	1,914,575.00
OPERATION	8,558,009.00	3,514,334.00	4,445,712.00	6,474,678.00
SCHOOL FUND	10,889,497.00	2,594,885.00	4,472,987.00	4,710,607.00
TOTAL	21,222,560.00	6,851,373.00	9,882,809.00	13,099,860.00
INCREASE/ DECREASE	14,371,187.00	(3,031,436.00)	(3,217,051.00)	-



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

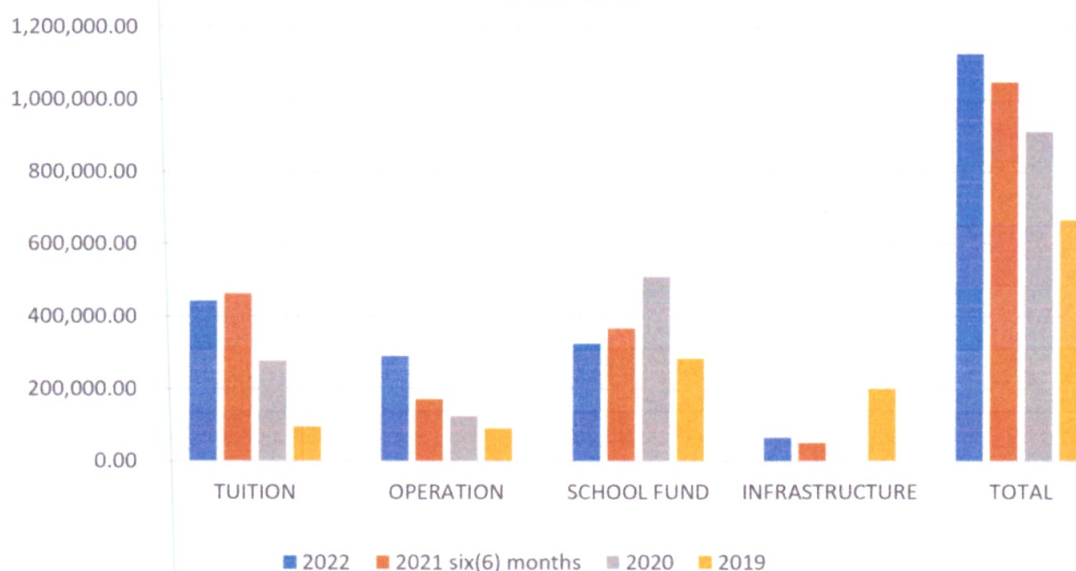
Year	2022	2021 six(6) months	2020	2019
Debtors	4,595,267.00	2,611,904.00	1,045,991.00	2,044,324.00
Increase/Decrease	1,983,363.00	1,565,913.00	(998,333.00)	-



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

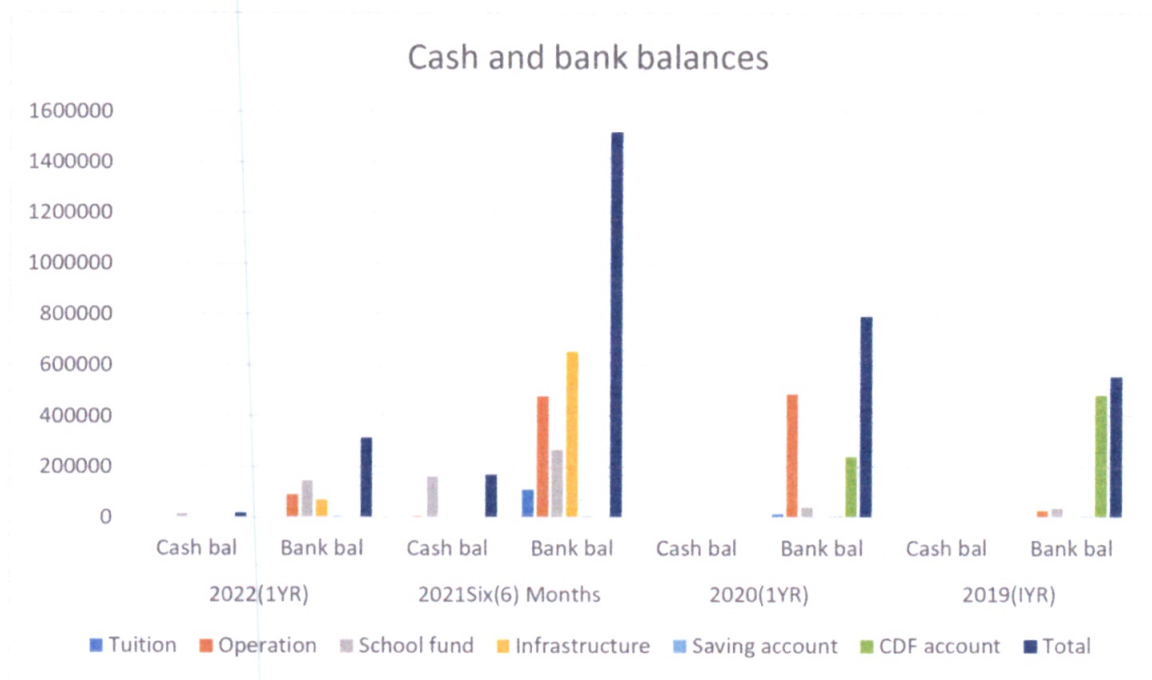
YEAR	2022	2021 six(6) months	2020	2019
TUITION	443,474.00	463,880.00	277,500.00	94,600.00
OPERATION	291,297.00	171,554.00	124,300.00	90,132.00
SCHOOL FUND	325,530.00	367,350.00	510,420.00	283,030.00
INFRASTRUCTURE	66,000.00	50,000.00	-	199,692.00
TOTAL	1,126,301.00	1,049,310.00	912,220.00	667,454.00
INCREASE/DECREASE	76,991.00	137,090.00	244,766.00	-

Creditors



- Movement of cash and bank balances over the last three years

	2022(1YR)		2021Six(6) Months		2020(1YR)		2019(IYR)	
	Cash bal	Bank bal	Cash bal	Bank bal	Cash bal	Bank bal	Cash bal	Bank bal
Tuition	-	681.00	-	111,414.00	-	13,701.00	-	2,682.00
Operation	186.00	92,336.00	4,646.00	479,771.00	96.00	488,113.00	36.00	27,029.00
School fund	17,121.00	146,310.00	164,013.00	268,414.00	78.00	40,654.00	363.00	36,209.00
Infrastructure	-	70,282.00	-	653,837.00	-	3,837.00	-	780.00
Saving account	-	4,790.00	-	4,790.00	-	5,120.00	-	5,120.00
CDF account	-	549.00	-	1,361.00	-	241,421.00	-	483,844.00
Total	17,307.00	314,948.00	168,659.00	1,519,587.00	174.00	792,846.00	399.00	555,664.00
Increase/Decrease	151,352.00	1,204,639.00	168,485.00	726,741.00	-225.00	237,183.00	-	-



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.

No of students	No of teachers	Ratio	No of teachers recruited and posted	Transferred	Retired	Bom	No of teachers employed by TSC
557	23	1:24	2	1	0	3	20

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	-	-

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 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

Positive deviation of 0.26

d) Number of Candidates in the 2021 KCSE:

YEAR	NO OF CANDIDATES
2021	97
2020	94
2019	85

e) Capacity of the school

No of students	Administration block	Classroom	Kitchen	Laboratories	Toilet	Dining hall
557	1	11	1	2	18	1

Summary Report of the Performance of the School (Continued)

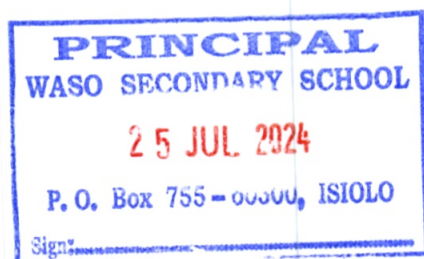
f) Development projects carried out by the school:

Year	Project carried out	Funded by	Amount	Status
2022	Construction of bookstore	MOE(FDSE)	664,945.00	Completed
2022	Construction of boys ablution block	MOE(FDSE)	1,050,000.00	Completed

Name: HALIMA S. GODANA

Sign: [Signature]

School Principal



III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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

The Board of Management is of the opinion that the school’s financial statements give a true and fair view of the state of the school’s transactions during the financial year ended 30th June, 2022, and of the school’s financial position as at that date.

Name: Mohamed B. Ali
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 25/7/2024

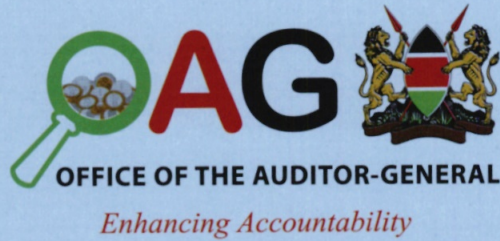
Name: HALIMA-S. GIDDAM
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 25/7/2024



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

REPUBLIC OF KENYA

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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, 2022 - 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 18 to 38, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and payments,

Report of the Auditor-General on Waso Secondary School for the year ended 30 June, 2022 - 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, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

As previously reported, review of financial statements submitted for audit revealed variances between balances reflected in the statement of receipts and payments and cashflow statement as detailed below;

Financial Statement Component	Balance as per the statement of receipts and payments (Kshs)	Balance as per the statement of cashflows (Kshs)	Variance (Kshs)
School Fund Income - Parents Contribution	11,444,385	7,693,735	3,750,650
Payment for Tuition	1,775,054	1,774,460	594
Payment for Operation	8,558,009	6,781,847	1,776,162
Boarding and School Fund Payments	10,889,497	11,078,117	188,620

In the circumstances, the completeness and accuracy of respective balances 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 of Kshs.332,255 as disclosed in Notes 8 and 9 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, and as reported previously, bank reconciliation statements presented for audit had alterations which were not acknowledged and approved.

In the circumstances, the accuracy, completeness and existence of bank and cash balance of Kshs.332,255 could not be confirmed.

3. Unsupported Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.1,770,178 as disclosed in Note 12 to the financial statements. Included in the payables is prepaid fees amounting to Kshs.643,871 which could not be confirmed as the supporting schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.1,770,178 could not be confirmed.

4. Long Outstanding Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.15,447,612 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are fees arrears amounting to Kshs.10,795,545 which had been outstanding for more than one (1) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.15,447,612 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.18,306,310 against actual receipts of Kshs.23,678,028 resulting in over-collection of Kshs.5,371,718 or 29% of the budget. However, the School spent a balance of Kshs.21,222,560 against actual receipts of Kshs.23,678,028, resulting to an under-utilization of Kshs.2,455,468 or 10% 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, 2022.

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.10,889,497 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.376,000 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.376,000 could not be confirmed.

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.7,346,343 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,825,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities.

However, only Kshs.1,322,000 was transferred to infrastructure account, leaving a balance of Kshs.503,500 as at 30 June, 2022.

This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

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 totaling Kshs.20,454,454. 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, NEMIS reflected four hundred and eighty-nine (489) students while records from the County Director of Education had five hundred and seventy-one (571) students, resulting to unregistered eighty-two (82) 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.1,822,368. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 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.

5. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 23 February, 2023 instead of the statutory deadline of 30 September 2022. This was contrary to Section 81 of the Public Finance Management Act, 2012 on preparation and submission of the financial statements for audit.

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

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 addition, the assets were not tagged for ease of identification.

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 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.

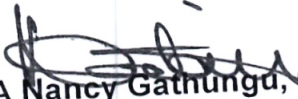
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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

14 November, 2024

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

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

Description Of Vote Head	Note	2021-2022	JUNE 2021(6)Months
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	1,663,726.00	653,487.00
Capitation grants for operations	2	7,346,343.00	4,448,074.00
School fund income- parents' contributions	3	11,444,385.00	4,801,032.00
School fund income- other receipts	4	3,223,574.00	39,960.00
Proceeds from borrowings		-	
Total Receipts		23,678,028.00	9,942,553.00
Payments			
Payments for tuition	5	1,775,054.00	742,154.00
Payments for operations	6	8,558,009.00	3,514,334.00
Boarding and school fund payments	7	10,889,497.00	2,594,885.00
Total Payments		21,222,560.00	6,851,373.00
Surplus/Deficit		2,455,468.00	3,091,180.00

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. GODANA
 School Principal/ Secretary to
 BOM

Sign: [Signature]

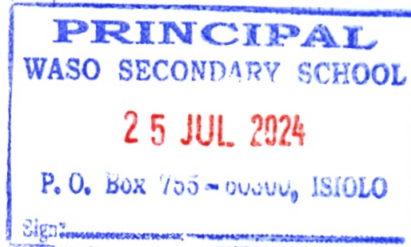
Date: 25/7/2024

Name: WINNIE D. WPKI

Bursar/ Finance Officer

Sign: [Signature]

Date: 25/7/2024



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

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
 30TH JUNE 2022

Description	Note	2021-2022 Kshs	JUNE 2021(6)Months Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	314,948.00	1,519,587.00
Cash balances	9	17,307.00	168,659.00
Short term investment	10	-	
Total cash and cash equivalent		<u>332,255.00</u>	<u>1,688,246.00</u>
Account's receivables	11	15,447,612.00	11,060,545.00
Total financial assets		15,779,867.00	12,748,791.00
Financial liabilities			
Accounts payables	12	1,770,178.00	1,194,570.00
Net financial assets		14,009,689.00	11,554,221.00
Represented by			
Accumulated Fund b/fwd	13	11,554,221.00	8,463,041.00
Surplus/Deficit for the year		2,455,468.00	3,091,180.00
Net financial position		14,009,689.00	11,554,221.00

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

Name: M. Shamed B. Ali

Name: HALIMA-S. GIDANA

Name: WINNIE DITWOKI

Chair BOM

School Principal/ Secretary to

Bursar/ Finance Officer

Sign: [Signature]

BOM Sign: [Signature]

Sign: [Signature]

Date: 25/7/2024

Date: 25/7/2024

Date: 25/7/2024

PRINCIPAL
 WASO SECONDARY SCHOOL
 25 JUL 2024
 P. O. Box 755 - 00300, ISIOLO
 Sign: _____

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

Description	Notes	2021-2022	JUNE 2021(6) Months)
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,663,726.00	653,487.00
Capitation grants for operations	2	7,346,343.00	4,633,456.00
School fund income- parents contributions/ fees	3	7,693,735.00	2,478,500.00
School fund income- other receipts	4	3,223,574.00	39,960.00
Total receipts		19,927,378.00	7,805,403.00
Payments			
Payments for tuition	5	1,774,460.00	555,774.00
Payments for operations	6	6,781,847.00	2,666,448.00
Boarding and school fund payments	7	11,078,117.00	2,737,955.00
Total payments		19,634,424.00	5,960,177.00
Net cash flow from operating activities		292,954.00	1,845,226.00
Cash flow from investing activities			
Proceeds from sale of assets			
Acquisition of assets		(1,648,945.00)	(950,000.00)
Proceeds from investments			
Purchase of investments			
Net cash flows from investing activities		(1,648,945.00)	(950,000.00)
Cash flow from borrowing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
Net increase in cash and cash equivalents		(1,355,991.00)	895,226.00
Cash and cash equivalent at beginning of the year		1,688,246.00	793,020.00
Cash and cash equivalent at end of the year		332,255.00	1,688,246.00

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	267,960.00	-	267,960.00	62,243.00	205,717.00	23%
Exercise Books	1,070,000.00	-	1,070,000.00	694,230.00	375,770.00	65%
Laboratory Equipment	250,000.00	-	250,000.00	359,646.00	(109,646.00)	144%
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	80,000.00	-	80,000.00	183,510.00	(103,510.00)	229%
Chalks	85,030.00	-	85,030.00	114,570.00	(29,540.00)	135%
Exams And Assessment	321,250.00	-	321,250.00	249,527.00	71,723.00	78%
Teachers Guides	-	-	-	-	-	-
Total	2,074,240.00	-	2,074,240.00	1,663,726.00	410,514.00	80%
(2) Capitation Grant on Operations						
Personnel Emoluments	2,365,272.00	-	2,365,272.00	2,760,179.00	(394,907.00)	117%
Repairs And Maintenance	2,750,000.00	-	2,750,000.00	2,683,250.00	66,750.00	98%
Local Transport / Travelling	920,000.00	-	920,000.00	664,857.00	255,143.00	72%
Electricity And Water	431,119.00	-	431,119.00	494,884.00	(63,765.00)	115%
Medical&insurance	472,450.00	-	472,450.00	97,800.00	374,650.00	21%
Administration Costs	994,889.00	-	994,889.00	645,373.00	349,516.00	65%
Activity	638,340.00	-	307,590.00	-	307,590.00	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
Total	8,572,070.00	-	8,572,070.00	7,346,343.00	1,225,727.00	86%
(3) 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	7,660,000.00	-	7,660,000.00	11,444,385.00	(3,844,385.00)	149%
Other Income						
Rent Income	-	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-	-
Insurance Compensation	-	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-	-
Fee For Hire of Ground And Equipment	-	-	-	-	-	-
TSC Isiolo county	-	-	-	223,574.00	(223,574.00)	-

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Income From CDF	-	-	-	3,000,000.00	(3,000,000)	-
Total Income	7,660,000.00	-	7,660,000.00	14,667,959.00	(7,067,959.00)	191%
(1) Expenditure For Tuition						
Textbooks And Reference Materials	267,960.00	-	267,960.00	9,800.00	258,160.00	4%
Exercise Books	1,070,000.00	-	1,070,000.00	762,000.00	308,000.00	71%
Laboratory Equipment	250,000.00	-	250,000.00	392,144.00	(142,144.00)	157%
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	80,000.00	-	80,000.00	97,910.00	(17,910.00)	122%
Chalks	85,030.00	-	85,030.00	93,500.00	(8,470.00)	110%
Exams And Assessment	321,250.00	-	321,250.00	418,740.00	(97,490.00)	130%
Teachers Guides	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Bank Charges	-	-	-	960.00	(960.00)	-
Total	2,074,240.00		2,074,240.00	1,775,054.00	299,186.00	86%
(2) Expenditure For Operations						
Personnel Emoluments	2,365,272.00	-	2,365,272.00	3,134,374.00	(769,102.00)	133%
Repairs, Maintenance & Improvements	2,750,000.00	-	2,750,000.00	2,957,909.00	(207,909.00)	108%
Local Transport / Travelling	920,000.00	-	920,000.00	602,400.00	317,600.00	65%
Electricity, Water and Conservancy	431,119.00	-	431,119.00	344,658.00	86,461.00	80%
Medical & insurance	472,450.00	-	472,450.00	111,165.00	361,285.00	24%
Administration Costs	994,889.00	-	994,889.00	1,405,633.00	(410,744.00)	141%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Activity Expenses	638,340.00	-	638,340.00	-	638,340.00	-
Gratuity	-	-	-	-	-	-
Bank charges	-	-	-	1,870.00	(1,870.00)	-
Total	8,572,070.00	-	8,572,070.00	8,558,009.00	14,061.00	100%
(3) Expenditure For School Fund						
Personnel Emoluments	-	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-	-
Medical Expenses	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Lunch Programme	-	-	-	-	-	-
Boarding Equipment and Stores	7,660,000.00	-	7,660,000.00	7,626,537.00	33,463.00	100%
Expenditure For Income Generating Activity	-	-	-	-	-	-
Insurance Costs	-	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-	-
Kenya primary priede	-	-	-	39,960.00	(39,960.00)	-
Tsc expense	-	-	-	223,000.00	(223,000.00)	-
Bank Charges	-	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition Of Assets	-	-	-	3,000,000.00	(3,000,000.00)	-
Totals	7,660,000.00	-	7,660,000.00	10,889,497.00	(3,229,497.00)	140%

- i) Under lunch programme there was over utilisation of funds due to receipt of project monies which was not budgeted for and also fees arrears which increased the income.
- ii) Under personnel emolument there was over utilisation of funds due to the payment of BOM teachers
- iii) There was underutilisation of funds in many vote heads since the government had not released full capitation for the year 2022
- iv) Due to increase in prices there was overutilization of funds in many vote heads
- v) Under laboratory equipment there was overutilization of funds due to the purchase of laboratory equipment for the 2021 KCSE exams

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the school, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

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

3. In-kind contributions

There was no in kind contribution during this period ending 30th June 2022.

4. Cash and cash equivalents

Cash and cash equivalents comprised cash in hand of Ksh.17,307 and cash at bank of Ksh. 314,948. In the six bank accounts maintained and shown in note 8, the development account was not active.

Significant Accounting Policies (Continued)

5. Accounts Receivable

This was in form of fees arrears amounting to Ksh. 15,390,812 examination fees debtors of ksh23,800 and imprest of ksh 33,000 as at the end of the financial year.

6. Accounts Payable

This was in form of fees paid in advance of Ksh. 643,877 and trade creditors of Ksh. 1,126,301

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 are not comparable since the current reporting period is for one year and the comparison year 2021 is for six months

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

X. NOTES TO THE FINANCIAL STATEMENTS**1 Capitation Grant for Tuition**

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Textbooks And Reference Materials	62,243.00	-
Exercise Books	694,230.00	323,112.00
Laboratory Equipment	359,646.00	99,196.00
Internal Exams	-	-
Teaching / Learning Materials	183,510.00	31,726.00
Chalks	114,570.00	31,768.00
Exams And Assessment	249,527.00	84,693.00
Teachers Guides	-	82,992.00
Total	1,663,726.00	653,487.00

2 Capitation Grant for Operations

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Personnel Emoluments	2,760,179.00	1,607,720.00
Repairs And Maintenance	2,683,250.00	1,909,750.00
Local Transport / Travelling	664,857.00	433,744.00
Electricity And Water	494,884.00	153,058.00
Medical	97,800.00	-
Administration Costs	645,373.00	343,802.00
Activity	-	-
Total	7,346,343.00	4,448,074.00

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Fees on boarding equipment and stores	11,444,385.00	4,801,032.00
Personnel emoluments	-	-
Repairs and maintenance	-	-
Activity	-	-
Total	11,444,385.00	4,801,032.00

Notes to the Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Kenya primary Priede	-	39,960.00
Rent Income	-	-
TSC Isiolo county	223,574.00	-
Income From Farming Activities	-	-
CDF Isiolo –Laboratory Equipment	3,000,000.00	-
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	-	-
Total	3,223,574.00	39,960.00

5 Payments for Tuition

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Textbooks And Reference Materials	9,800.00	-
Exercise Books	762,000.00	99,200.00
Laboratory Equipment	392,144.00	370,634.00
Internal Exams	-	-
Teaching / Learning Materials	97,910.00	42,850.00
Chalks	93,500.00	29,370.00
Exams And Assessment	418,740.00	88,500.00
Teachers Guides	-	111,000.00
Administration Costs	-	-
Bank Charges	960.00	600.00
Total	1,775,054.00	742,154.00

Notes to the Financial Statements (Continued)

6 Payments for Operations

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Personnel Emoluments	3,134,374.00	1,261,050.00
Service Gratuity	65,180.00	-
Administration Cost	1,405,633.00	510,881.00
Repairs And Maintenance & Improvements	2,957,909.00	399,330.00
Local Transport / Travelling	602,400.00	300,200.00
Electricity And Water	344,658.00	89,693.00
Medical	4,700.00	2,100.00
Activity Expenses	-	-
SMASSE	-	-
Insurance Cost	41,285.00	-
Bank Charges	1,870.00	1,080.00
Acquisition Of Assets	-	950,000.00
Total	8,558,009.00	3,514,334.00

Notes to the Financial Statements (Continued)

7 Boarding and School Fund Payments

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Personnel Emoluments	173,300.00	243,000.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	344,260.00	3,300.00
Local Transport / Travelling	10,000.00	-
Electricity And Water	15,480.00	-
Medical Expenses	-	-
Administration Costs	615,672.00	271,580.00
Bank Charges-Saving account	-	330.00
Bank charges-CDF	813.00	60.00
Expenses On Income Generating Activities	-	-
Fee On Boarding Equipment and Stores	6,467,012.00	2,076,615.00
Kenya primary priede	39,960.00	-
TSC Isiolo county	223,000.00	-
Rent Expenses	-	-
Laboratory equipment	3,000,000.00	
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Total	10,889,497.00	2,594,885.00

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

Notes to the Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	JUNE 2021(6 Months)
		Kshs	Kshs
Tuition Account		681.00	111,414.00
Operations Account		92,336.00	479,771.00
School Fund Account/Boarding		146,310.00	268,414.00
Savings Account		-	-
Parent Association Development Account		4,790.00	4,790.00
Income Generating Activities Account		-	-
Infrastructural Account		70,282.00	653,837.00
Constituency Development Fund account		549.00	1,361.00
Total		314,948.0	1,519,587.00

9 Cash In Hand

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Tuition Account	-	-
Operation Account	186.00	4,646.00
School Fund account	17,121.00	164,013.00
Total	17,307.00	168,659.00

10 Short Term Investments

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Fees Arrears	15,390,812.00	11,060,545.00
Other Non-Fees Receivables	23,800.00	-
Salary Advances	-	-
Imprest	33,000.00	-
Total	15,447,612.00	11,060,545.00

[Include an ageing of the fees / non fees arrears below]

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Fees Arrears For Current Year	4,595,267.00	2,611,904.00
Fees Arrears For The Previous Year	2,346,904.00	704,219.00
Fees Arrears For Prior Periods (Over Two Years)	8,448,641.00	7,744,422.00
Total	15,390,812.00	11,060,545.00

12 Accounts Payable

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,126,301.00	993,310.00
Prepaid Fees	643,877.00	145,260.00
Retention Monies	-	50,000.00
Total	1,770,178.00	1,194,570.00

[Include an ageing of the creditor's arrears below]

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Trade Creditors for Current Year	1,126,301.00	999,310.00
Trade Creditors for The Previous Year	-	-
Trade Creditors for Prior Periods (Over Two Years)	-	-
Total	1,126,301.00	999,310.00

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

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Bank Balances	1,519,587.00	792,846.00
Cash Balances	168,659.00	174.00
Short Term Investments	-	-
Receivables	11,060,545.00	8,805,413.00
Payables	(1,194,570.00)	(1,135,392.00)
Total	11,554,221.00	8,463,041.00

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2021-2022	JUNE 2021(6 Months)
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		-	-

*The schools biological assets have not been valued.

16 Borrowings

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
a) Borrowings	-	-
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	JUNE 2021(6 Months)
	Kshs	Kshs
b) Inventory		
Balance at the end of the year		
Foodstuffs	71,985.00	67,318.00
Stationeries	44,000.00	41,100.00
Laboratory equipment	29,460.00	19,990.00
Balance at end of the year	145,445.00	128,408.00

18 Progress on Follow up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
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 the BOM to engage teachers which became a huge drain to our finances further.	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)
		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	There were discrepancies between actuals and student enrolled in Nemis in 2021 April most student have not returned from the Covid pandemic disruption, we continued tracing them and by July most of them had returned, the intervention used to bring them back was from MOE and ministry of interior. We continue updating Nemis and by September 2022 only four students were not captured. It is our hope that the ministry of education will review policy to capture repeaters and overage students to ensure accuracy of enrolment data in our record.	Not resolved	
4	Payments unaccounted for funds transferred to KSSHA	The funds were transferred to support co-curriculum activities with knowledge and approval of 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-	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)
		curriculum activities 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.		
5	Inadequate support documentation for payment voucher a) Lack of inspection and acceptance committee	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.	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) 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 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	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)
		advised by the team.		
	d) Lack of segregation of duties	<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 strengthen internal controls. The school will engage extra personnel when funds are available. The school will engage extra personnel when funds are available.</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)
	e) Accounts receivable	The observation was objective but errors were not deliberate and they are being rectified and the same will be reconciled in the financial statements.	Not resolved	
	f) Accounts payables	Prepaid fees are being rectified and appropriate reconciliation will be done in the financial statements.	Not resolved	
	g) 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 like administration block, science and computer lab were insured through KCB insurance agency attached find the premium.	Not resolved	

WASO SECONDARY SCHOOL
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Name... HALIMA-S. GODANA.
Principal

Sign... 

Date... 25/7/2024



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Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Kalmas logistics	1,050,000.00		984,000.00	66,000.00		
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Aspet school supplies ltd	36,000.00	25/01/2022	-	36,000.00	-	
5. Aspet school supplies ltd	273,144.00	08/03/2022	-	273,144.00	-	
6. The mesprize enterprises	47,500.00	16/06/2022	-	47,500.00	-	
7. The mesprize enterprises	471,830.00	29/04/2022	385,000.00	86,830.00	-	
8. Raphs media	111,000.00	23/05/2022	-	111,000.00	-	
9. Expanmeru enterprises	8,500.00	21/02/2022	-	8,500.00	-	
10. Waso central emporium	143,400.00	20/02/2022-19/04/2022	-	143,400.00	-	
11. Nuru milk supply	97,090.00	21/02/2022-16/05/2022	-	97,090.00	-	
12. Gods favour butchery	80,820.00	14/02/2022	-	80,820.00	-	
13. Amki enterprise store	137,520.00	21/06/2022	-	137,520.00	-	
14. By grace shop	10,100.00	07/01/2022-03/05/2022	-	10,100.00		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 20XX-1	Comments
Sub-Total	1,416,904.00			1,031,904.00		
Supply Of Services						
15. Nssf	20,236.00		-	20,236.00		
16. Nhif	6,750.00		-	6,750.00		
17. Paye	1,411.00		-	1,411.00		
Sub-Total	28,397.00			28,397.00		
Grand Total	2,495,301.00		1,369,000.00	1,126,301.00		

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

Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1						
Land 2						
Buildings And Structures						
Motor Vehicles						
Office Equipment, Furniture And Fittings						
ICT Equipment, And Other ICT Assets						
Tools And Apparatus						
Textbooks						
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 SECONDARY SCHOOL
FIXED ASSETS REGISTER**

DESCRIPTION OFASSET	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
MODERN OFFICE CHAIR	1	2015	28,000.00
OFFICE TABLE	1	2013	55,995.00

WASO SECONDARY SCHOOL

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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
NOTICEBOARD	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
STEEL FORMS	4	2018	30,000.00
WHEELBARROW	2	2018	7,000.00
STUDENT CHAIRS AND LOCKERS	30	2018	105,000.00

WASO SECONDARY SCHOOL

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

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