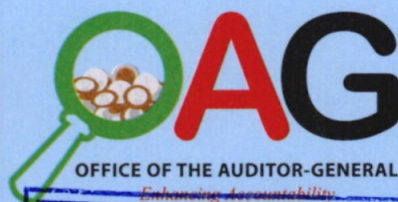


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 18 JUN 2026

DAY.

Thursday

REPORT
TABLED
BY:

Hon. Samuel Chelkang
(on behalf of leader of Majority)

CLERK-AT
THE-TABLE:

Lomale

OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

SENIOR CHIEF ADANO GIRLS SECONDARY
SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

WAJIR COUNTY



**Senior Chief Adano Girls Secondary School
Girls Secondary School**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards (IPSAS)

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Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

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Senior Chief Adano Girls Secondary School Girls Secondary School

Annual Report and Financial Statements For the year ended 30th June 2025

1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

Senior Chief Adano Girls Secondary School Girls Secondary School

Annual Report and Financial Statements For the year ended 30th June 2025

2. Key School Information and Management

(a) Background information

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

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

The school is a day school and had 406 students as at 30th June 2024. It has double streams and 16 teachers of which 10 teachers are employed by the School Board of Management

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Hassan Osman	Chairman	30/8/2021
2	Ismail Abdirashid	Secretary - Principal	30/8/2021
3	Ambia Osman	Member	30/8/2021
4	Hussein Hassan	Member	30/8/2021
5	Suldana Omar	Member	30/8/2021
6	Abdi Osman	Member	30/8/2021
7	Sahara Hassan	Member	30/8/2021
8	Marian Osman	Member – Rep CEB	30/8/2021
9	Hussein Hassan	Member Rep Teachers	30/8/2021
10		3 Members - Sponsor	30/8/2021
11		Member - Community	30/8/2021
12	Hussein Hassan	Member Special Needs	30/8/2021
13	Roney Ibrahim	Rep Students	30/8/2021

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Ismail Abdirashid	Secretary	4 out of 4
2	Audit Committee	1. Alinur Ibrahim 2. Mohamed Nur 3. Osman Fankey 4. Abdia Adan	1. Member 2. Secretary 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4
3	Finance, procurement and general purposes Committee	1. Hussein Hassan 2. Dr. Adankhalif Adan 3. Ambia Osman 4. Hassan Osman	1. Chairman 2. D. Chairman 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4
4	Academic Committee	1. Ambia Osman 2. Sahara Hassan 3. Abdi Osman 4. Suldan Omar	1. Chairman 2. Secretary 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4
5	Discipline and welfare Committee	1. Osman Fankey 2. Abdi Osman 3. Suldan Omar 4. Suldan Omar	1. Member 2. Secretary 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

(d) School operation Management

For the financial year ended 30th June, 2025 the School's day-to-day management was under the following persons:

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

(e) Schools contacts

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

(f) School Bankers

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

(g) Independent Auditors

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

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

3. Summary Report of Performance of The School

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

a) Financial performance:

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

Years	2024	2023	2022
Surplus/deficit	(1,780,268.54)	3,748,767.92	(96,527.10)

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

Year	2024	2023	2022
Amount	5,631,402.18	7,047,960.92	621,814

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

Years	FEES COLLECTION
2022	956,500
2023	2,700,700
2024	3,820,500

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

Years	AMOUNT
2022	1,554,842
2023	5,999,893
2024	16,155,343

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

Years	Debtor	Creditors
2022	280,000	330,000
2023	621,000	356,000
2024	560,000	500,000

Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new.

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

b) Teacher Student ratio:

YEARS	NO OF TSC TEACHERS	NO OF BOM TEACHERS	NO OF STUDENT
2022	4	5	90
2023	4	9	267
2024	6	10	300

c) The mean score in the 2021 to 2023 KCSE:

Year	Result Analysis		
	Mean Score		
2023	Not done		
2022	Not done		
2021	Not done		

d) Number of Candidates in the 2021 to 2023 KCSE:

Year	Entry
2023	Not done
2022	Not done
2021	Not done

e) The capacity of the school:

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

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

f) Development projects carried out by the school:

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

.....

School Principal

Senior Chief Adano Girls Secondary School Girls Secondary School

Annual Report and Financial Statements For the year ended 30th June 2025

4. Statement of School Management Responsibility

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 20XX, and of the school's financial position as at that date.

.....
Name:

Designation: Chairman, School Board of Management

Date:

.....
Name:

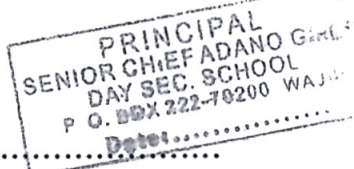
Designation: School Principal & Secretary to Board of Management

Date:

.....
Name:

Designation: Bursar/ Finance Officer

Date:



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SENIOR CHIEF ADANO GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - WAJIR COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Senior Chief Adano Girls Secondary School set out on pages 1 to 15, which comprise of the statement of assets and liabilities as at 30 June, 2025, and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts, for the year then ended and a summary of significant accounting policies

and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Senior Chief Adano Girls Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards - Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Basic Education Act, 2013, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Requirements

As disclosed in Note 1 to the financial statements on Statement of Compliance and Basis of Preparation of the Financial Statements, the School has taken advantage of the transitional provisions under IPSAS 33. However, Management has not indicated the elements of the financial statements that have not been fully recognized as per the respective IPSAS and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statements of cash flows reflect total actual receipts and payments of Kshs.9,25,2204 and Kshs.9,338,481 respectively. However, the statement of budgeted versus actual amounts reflects total actual receipts and payments of Kshs.9,203,286 and Kshs.10,097,830 respectively, resulting in variances of Kshs.48,918 and Kshs.759,349 in receipts and payments respectively.

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

3. Outstanding Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 12 to the financial statements reflects accounts receivables balance of Kshs.1,738,000 in respect of student fees arrears. Review of the aging analysis revealed that Kshs.1,700,000 representing 98% of the total receivables was outstanding for over one year. However, the School did not have a policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance. In addition, the School did not implement an effective mechanism to enforce timely collection of school fees.

In the circumstances, the accuracy and recoverability of the outstanding accounts receivables of Kshs.1,738,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total receipts budget and actual on a comparable basis of Kshs.10,097,830 and Kshs.9,203,286 respectively resulting in under-funding of Kshs.894,544 or 9% of the budget. However, the School spent a total of Kshs.10,097,830 against actual receipts of Kshs.9,203,286 resulting in over expenditure of Kshs.894,544 or 10% of the actual receipts.

The under-funding affected implementation of the planned activities and may have adversely impacted on the operations of the School while spending on unrealized funds may have led to accumulation of accounts payable.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Significant Exemptions by Public Sector Accounting Standards Board in the Financial Statements Reporting Template

The financial statements have been prepared using the financial year 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts.

The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

Other Information

The Management is responsible for the Other Information set out on page iii to ix which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The financial statements for the financial year ended 30 June, 2025 were submitted to the Auditor-General on 9 January, 2026, instead of on or before the statutory deadline of 31 August, 2024. This was contrary to The National Treasury Circular No: AG.3/88 Vol. VII (41) of 4 December, 2024 which required all public entities to submit financial statements for the financial year ended 30 June, 2025 on or before 31 August, 2025.

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

2. Failure to Prepare Estimates of Income and Expenditure

The statement of financial performance reflects total revenue and total expenses of Kshs.9,252,204 and Kshs.9,756,423 respectively. However, Management did not prepare estimates of income and expenditure. Although a statement of comparison of budget and actual amounts was included in the financial statements, the source of budget amounts reflected in the statement could not be confirmed. This was contrary to Section 16(1) of the Fourth Schedule of the Basic Education Act, 2013 which provides that a Board of Management of a public institution of basic education shall

prepare annual estimates of revenue and expenditure for the institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe.

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

3. Outstanding Accounts Payables

The statement of assets and liabilities reflects trade and other payables balance of Kshs.1,828,102 as disclosed in Note 12. However, Review of the aging analysis revealed that Kshs.838,802 representing 46% relates to obligations outstanding for more than one (1) year. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

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

4. Lack of Procurement Plan

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

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

5. 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 (4) key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

6. Lack of a Functional Procurement Unit

The School did not establish procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Further, it was observed that procurement activities were undertaken by individuals lacking the requisite qualifications. In view of this state of affairs, there was an increased risk of irregularities in procurement process of the school.

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

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

Review of the payroll data revealed that the School had six (6) employees engaged by the Board of Management. However, all the employees were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

8. Non-Compliance with the Law on Employment of Persons with Disabilities

Review of the payroll data revealed that the School had six (6) employees engaged by the Board of Management. However, none of the employees represented persons living with disabilities. This was contrary to Section 4(f) of the Persons with Disabilities Act, 2025 provides that the National Government shall promote the inclusion and integration of persons with disability in the public service and put in place measures to ensure that at least five per centum of the employment positions are filled by persons with disability.

In the circumstances, Management was in breach of the law

9. Capitation Under-Disbursement from Ministry of Education

The statement of receipts and payments reflects Kshs.1,116,867 and Kshs.3,338,067 in respect of Government grants for tuition and operations capitation receipts respectively as disclosed in Note 1 and Note 2 to the financial statements. However, review of documents provided for audit revealed that Ministry of Education Circulars provided for disbursement of capitation at a rate of Kshs.22,244 which, based on recorded student enrollment, should have translated to total capitation funding of Kshs.6,784,420. However, the School received a total of Kshs.4,454,754 resulting in an under-funding of Kshs.2,329,666.

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

10. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflects school fund income - parents' contributions amounting to Kshs.3,429,700 as disclosed in Note 4 to the financial statements. However, examination of fees structure and supporting schedules revealed that the School charged extra lunch and Board of Management teachers' fees of Kshs.5,000 per student per term to parents despite the School being a Free Day Secondary School without the approval from Ministry of Education. This was contrary to Regulation 45 of the Basic Education Regulations, 2015 which provides that no person or Board of Management in a public institution of basic education and training shall alter or increase fees without written authority from the Cabinet Secretary.

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

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

The statement of financial performance reflects operation payments totalling Kshs.4,265,470 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.122,410 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.122,410 could not be confirmed.

12. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects payments for tuition, operations, infrastructure, boarding and school fund amount of Kshs.9,756,423 as disclosed in Notes 5, 6, 7, and 8 to the financial statements which includes an amount of Kshs.1,712,900 in respect of procurement contracts signed with the School's suppliers. Review of payments for goods and services revealed that the public procurement capacity building levy of 0.03% on the contracts was not deducted. This was contrary to the Public Procurement Capacity Building Levy Order, 2023 which requires Public Procurement Capacity Building Levy be deducted at 0.03% on all contracts between the supplier and a procuring entity.

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

13. Unreconciled Student Enrolment Data

Review of student records provided for audit revealed that the School had three hundred and seventy-seven (377) students enrolled in the School. However, data from National Education Management Information System (NEMIS) indicated enrolment of three hundred and five (305) students, resulting in a variance of seventy-two (72) students (19%).

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Unit and Audit Committee

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

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

2. Weaknesses in Management of Assets

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

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

3. Lack of Approved Policy and Weak Inventory Controls

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

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

4. Inadequate Record-Keeping and Tracking of Issued Textbooks

Records reviewed showed that one thousand, six hundred and thirty-one (1631) textbooks were supplied in the financial year 2024/2025. Although issuance sheets were provided, records on book returns, condition, and losses were not properly maintained. The absence of tracking mechanisms made it impossible to verify the number of textbooks in circulation.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 April, 2026

5. Lack of Adequate Facilities in the Institution

Audi inspection of facilities and infrastructure revealed that the School had eight (8) toilets serving three hundred and seventy-seven (377) girls, resulting in a usage ratio of approximately 1:47, which indicates a severe shortage of sanitation facilities. Further, the School buildings are not designed to adequately accommodate the needs of students with disabilities. In addition, the School did not have a store room and relied on the neighboring Early Childhood Education School store room to store their food ration.

In the circumstances, lack of adequate facilities in the School may have affected service delivery to the students.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

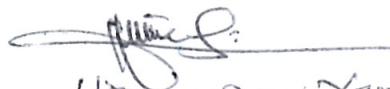
Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles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

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

6. Statement Of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	1,116,687	713,243
Government grants for operations	2	3,338,067	2,323,159
Government Grants for infrastructure	3	1,367,750	7,523,123
School fund income- parents' contributions	4	3,429,700	3,191,090
Total Revenue		9,252,204.00	13,750,615
Expenditure			
Tuition	5	1,225,737	494,327
Operations	6	4,265,470	2,666,274
Infrastructure	7	365,126	9,297,652
Boarding and school fund	8	3,900,090	3,900,090
Total Expenditure		9,756,423	16,358,343
Surplus/Deficit		(504,219)	(2,607,728)

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


 Hassan Abnani Xatmed

Name:

Chair BOM

Date:



Name: Ismail ASPIRAH
 School Principal/ Secretary to
 BOM

Date:





Name: NURIA MOHAMED
 Bursar/ Finance Officer

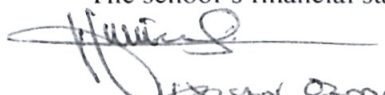
Date:

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,284,824	1,367,651
Cash balances	11	7,665	11,115
Total cash and cash equivalent		<u>1,292,489</u>	1,378,766
Account's receivables	12	1,738,000	4,178,700
Total financial assets (a)		3,030,489	5,557,466
Financial liabilities			
Accounts payables	13	1,828,102	3,850,860
Total Financial Liabilities (b)		1,828,102	3,850,860
Net financial assets (a-b)		1,202,387	1,706,606
Represented by			
Accumulated fund b/fwd	15	1,706,606	4,314,334
Surplus/deficit for the year		(504,219)	(2,607,728)
Net Assets		1,202,387	1,706,606

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





Name: _____ Name: **Amal Addirashid** Name: _____
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
 Date: _____ Date: _____ Date: _____

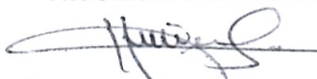
PRINCIPAL
 SENIOR CHIEF ADANO GIRLS
 DAY SEC. SCHOOL
 P. O. BOX 222-70200 WAJ.

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,116,687	713,243
Government grants for operations		3,338,067	2,323,159
Government grants for infrastructure		1,367,750	7,518,171
School fund income- parents contributions/ fees		3,429,700	3,191,090
Total receipts		9,252,204	13,745,663
Payments			
Cash outflows for tuition		1,225,737	494,327
Cash outflows for operations		2,504,241	2,666,274
Cash outflows Boarding/lunch and school fund payments		5,243,377	3,122,978
Total payments		8,973,355	6,283,579
Net cash inflow/outflow from operating activities		278,850	7,462,084
Cash flow from investing activities			
Acquisition of assets		365,126	9,297,652
Net cash inflow/outflows from investing activities		365,126	9,297,652
Cash flow from Financing activities			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(86,276)	(1,835,568)
Cash and cash equivalent at beginning of the FY		1,378,766	3,214,334
Cash and cash equivalent at end of the FY		1,292,489	1,378,766

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



 Name: _____

Name:

Chair BOM

Date:



 Name: _____

School Principal/ Secretary to
 BOM

Date:



 Name: _____

Bursar/ Finance Officer

Date:

PRINCIPAL
 SENIOR CHIEF ADANO G. SEC. SCHOOL
 P. O. BOX 222-70200 WAJIE
 Date: _____

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Teaching / Learning Materials	1,116,867		1,116,867	1,116,867	100%
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	1,790,452		1,790,452	1,669,034	93%
Local Transport / Travelling	556,345		556,345	556,345	100%
Electricity And Water	556,345		556,345	556,345	100%
Administration Costs	556,345		556,345	556,345	100%
<i>3) FDSE for infrastructure</i>					
Maintenance & Improvement MoE	1,367,876		1,367,876	1,367,750	100%
<i>(4) Fees Charged on Parents</i>					
Personnel Emoluments	956,200		956,200	783,200	82%
Fee On Boarding Equipment and Stores	3,197,400		3,197,400	2,597,400	81%
Total Income	10,097,830		10,097,830	9,203,286	91%

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<i>(6) Expenditure For Tuition</i>					
Teaching / Learning Materials	1,225,020		1,225,020	1,225,020	100%
Bank Charges	717		717	717	100%
<i>(7) Expenditure For Operations</i>					
Personnel Emoluments	1,228,080		1,228,080	1,228,080	100%
Local Transport / Travelling	665000		665000	665000	100%
Electricity, Water and Conservancy	297,000		297,000	297,000	100%
Administration Costs	1,952,510		1,952,510	1,952,510	100%
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms	365,000		365,000	365,000	100%
Bank Charges	126		126	126	100%
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	2,688,000		2,688,000	2,688,000	100%
Administration Costs	302,787		302,787	302,787	100%
Lunch Programme	1,373,590		1,373,590	1,373,590	100%
Totals	10,097,830		10,097,830	10,097,830	100%

Senior Chief Adano Girls Secondary School Girls Secondary School

Annual Report and Financial Statements For the year ended 30th June 2025

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

3. In-kind contributions

In-kind contributions are donations that are made to the school in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles,

Senior Chief Adano Girls Secondary School Girls Secondary School

Annual Report and Financial Statements For the year ended 30th June 2025

equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the school includes such value in the statement of financial performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Senior Chief Adano Girls Secondary School Girls Secondary School

Annual Report and Financial Statements For the year ended 30th June 2025

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2025

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching / Learning Materials	1,116,867	713,243
Total	1,116,867	713,243

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	1,669,034	1,161,580
Local Transport / Travelling	556,345	387,193
Electricity And Water	556,345	387,193
Administration Costs	556,345	387,193
Total	3,338,067	2,323,159

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	1,367,750	1,123,171
Grants from NGCDF	0	6,399,952
Total	1,367,750	7,523,123

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	833,200	625,300
Lunch	2,596,500	2,565,790
Total	3,429,700	3,191,090

Senior Chief Adano Girls Secondary School Girls Secondary School
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5 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching / Learning Materials	1,225,737	493,500
Bank Charges	0	827
Total	1,225,737	494,327

6 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	1,228,080	1,336,500
Administration Cost	1,952,510	657,774
Local Transport / Travelling	665,000	377,000
Electricity And Water	297,000	295,000
Lunch	122,880	0
Total	4,265,471	2,666,274

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

7 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms	365,000	4,393,000
Construction of Fence	0	4,000,000
Construction of Twin Toilets	0	900,000
Bank Charges	126	4,652
Total	365,126	9,297,652

8 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	1,999,763	1,776,000
Local Transport / Travelling	0	212,000
Electricity And Water	0	10,000
Medical Expenses	0	0
Administration Costs	208,787	228,290
Lunch Programme	1,691,540	1,673,800
Total	3,900,090	3,900,090

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account			190,898	299,768
Operations Account			454,347	995,551
School Fund Account/Boarding			15,139	67,766
School Fund Account/Boarding				0
Infrastructural Account			624,440	4,566
Total			1,284,824	1,367,651

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	7,665	11,115
Total	7,665	11,115

Senior Chief Adano Girls Secondary School Girls Secondary School
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12 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	1,738,000	4,178,700
Total	1,738,000	4,178,700

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	38,000	2%	2,089,300	50%
Between 1- 2 years	1,700,000	98%	2,089,400	50%
Total (should tie to note 13 a)	1,738,000	100%	4,178,700	100%

13 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,828,102	3,850,860
Total	1,828,102	3,850,860

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	989,300	42%	2,861,560	60%
Between 1- 2 years	838,802	58%	989,300	40%
Total (should tie to note 14)	1,828,102	100%	3,850,860	100%

14 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	1,367,651	3,205,019
Cash Balances	11,115	9,315
Receivables	4,178,700	2,089,300
Payables	(3,850,860)	(989,300)
Total	1,706,606	4,314,334

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

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.

15 Progress On Follow Up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Sign and Date
Principal

PRINCIPAL
SENIOR CHIEF ADANO GIRLS
DAY SEC. SCHOOL
P.O. BOX 222-79200 WAJIR
Date:

Senior Chief Adano Girls Secondary School Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2025

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods						
1. Mohamed Khalif Shop	989,300	1.07.2024	0	989,300	3,850,860	
2. Mohamed Khalif Shop	838,802	1.07.2023		838,802		
Grand Total	1,828,102			1,828,102	3,850,860	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery and Equipment				