

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

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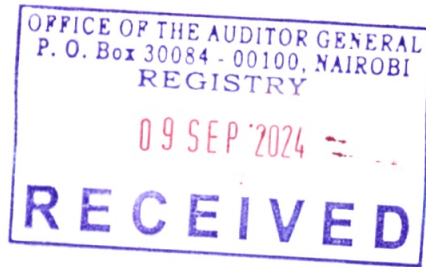
**OF
THE AUDITOR-GENERAL**

ON

SABUNLEY SECONDARY SCHOOL

**FOR THE ENDED
30 JUNE, 2022**

WAJIR COUNTY



SABUNLEY 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)

Table of Contents

Page

1) ACRONYMS AND DEFINITION OF KEY TERMS.....i

2) KEY SCHOOL INFORMATION AND MANAGEMENT ii

3) SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL..... iii

4) STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY.....vi

5) REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF 30TH JUNE 2022.....viii

6) STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022..... 1

7) STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 20222

8) STATEMENT OF CASH FLOWS FOR THE YEAR PERIOD ENDED 30TH JUNE 20223

9) STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022.....4

10) SIGNIFICANT ACCOUNTING POLICIES5

11) NOTES TO THE FINANCIAL STATEMENTS.....6

12) Annexes..... 7

1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

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

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 9.06.2016 under registration number 08/S/3000/012/16 and is currently categorized as an extra county public school established, owned or operated by the Government.

The school is a day/boarding school and had 789 number of students as at 30th June 2022. It has 4 streams and 34 teachers of which 9 teachers are employed by the School Board of Management.

(b) School Board of Management –Board Members

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

Ref :	Name of Board Member	Designation	Date of appointment
1.	HALIMA KAHIYE	Chairperson	2022
2.	ABDINOOR HAJI	Secretary–Principal	2022
3.	MOHAMED HASSAN	v- chair	2022
4.	ABDILLE YUSSUF	Member	2022
5.	HALIMA ALI	Member	2022
6.	OMAR ALI	Member	2022
7.	FARHIYA BISHAR	Member	2022
8.	ABDIHAKIM ALI ADAN	Member– Rep CEB	2022
9.	BISHAR BONTORE	Member Rep Teachers	2022
10.	MOHAMED HASSAN HASSAN OSMAN FARHIYA BISHAR	3 members- sponsor	2022
11.	HALIMA KAHIYE	Member–Community	2022
12.	MOHAMED HASSAN	Members–special need	2022
13.	ABDINOOR HAJI	Student council Rep	2022

KEY SCHOOL INFORMATION AND MANAGEMENT**The function of the School Board of Management includes:**

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

(a) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	HALIMA KAHYE ABDINOOR HAJI MOHAMD HASSAN UBAX KAHYE	CHAIR SECRETARY V-CHAIR PTA	2
2	Audit Committee & finance	ABDIRAHMAN NOOR HASSAN OSMAN MOHAMED HASSAN EBLA KHEIR	CHAIR	2
3	Academic Committee	ABDILLE YUSSUF DR. ABDIHAKIM ALI UBAH KAHYE MOHAMED HASSAN ALI OMAR	CHAIR	3
4	Development Committee	FARHIYA BISHAR HALIMA KAHYE MARYAN WARFA EBLA KHEIR	CHAIR	2
5	Discipline and welfare Committee	ABDILLE YUSSUF HASSAN OSMAN HALIMA ALI HASSAN OMAR	CHAIR	3
6	Adhoc Committee (if any during the year)	MOHAMED SANEY ABDIRAHMAN HUSSEIN BISHAR BONTORE ABDIFATAH ISMAIL LYDIAH GYACHU	CHAIR	1

(b) School operation Management

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

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

KEY SCHOOL INFORMATION AND MANAGEMENT**(a) Schools contacts**

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

(b) School Bankers

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

- Name of Bank: KCB
 Branch: WAJIR
 Account Number: 1105226832-tuition
 Name of Bank: KCB
 Branch: Wajir
 Account number: 1105227219-operation
 Name of Bank: KCB
 Branch: Wajir
 Account number: 1105197654/ Business number: 522123 fund acc
 Account number: 89181k

Account No 1113803754 Infrastructure Account

(c) Independent Auditors

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

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

year	2021 Jan-June	2021-2022
Surplus/deficit	61827	32000

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

year	2020	2021 Jan-June	2021-2022
amount	10 583 450	7 616 529	10,541,577.6

I. RATIO OF CAPITATION GRANT PER STUDENT FOR THE LAST THREE YEARS:

From 2020 to JUNE 2021 for both OPERATION AND TUITION:

Year	No. of students	Amount
2022	789	10,541,577.6
2021(Jan-June)	789	7,616,529
2020	811	10,583,450

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

Year	Amount
2022	10,541,577.6
2021(Jan-June)	10,211,464
2020	17,047,007

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

Year	debtor	Creditor
2022	3,508,178	-
2021(Jan-June)	3,274,178	-
2020	3,554,178	-

Movement of cash and bank balances over the last three years

Year	Bank balances	Cash balances
2022	1,679,364.42	-
2021(Jan-June)	3,675,712.42	-
2020	844,782.78	-

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

b) **Teacher Student ratio:**

RATIO OF TEACHERS TO STUDENTS 1:23.2

NUMBER OF TSC TEACHERS 25

NUMBER OF B.O.M TEACHERS 9

c)

Mean score in the 2021 KCSE:

Year	Mean score	Mean grade
2019	3.328	D(plus)
2020	4.733	C(minus)
2021	7.397	C(plus)

d) **Number of Candidates in the 2021 KCSE:**

Year	Number of students
2019	202
2020	166
2022	136

e) **Capacity of the school:**

Sabunley Secondary School is an extra county school, with an enrolment of 789 students. It is a four streamed school, the school has five (5) dormitories, four (4) laboratories and thirteen (13) toilets for both students and teachers.

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

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

g) Year	Description	Source of fund	remarks
2021 Jan-June	Renovation of 3no. laboratories	Ministry of education	complete
2022	Construction of one(1) new classroom	Ministry of education	complete
	Renovation of offices	Ministry of education	Complete
	Repair & replacement of lockers & chairs	Ministry of education	complete
	Supply of lab equipment	Ministry of education	complete

Sign

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 of Kenya from time to time.

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

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

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

Name: Halima Kahiya
Designation: Chairman, School Board of Management
Sign:
Date: 30.06.2022

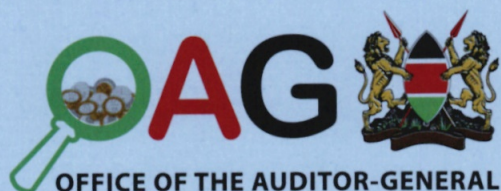
Name: Abdi Noor Haji
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 30.06.2022



Name: Mohamed Gaiye Mude
Designation: Bursar/ Finance Officer
Sign:
Date: 30.06.2022

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON SABUNLEY SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – WAJIR 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

Opinion

I have audited the accompanying financial statements of Sabunley Secondary School – Wajir County set out on pages 1 to 10, which comprise of the statement of assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and the statement of comparison of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution of Kenya and

Report of the Auditor-General on Sabunley Secondary School for the year ended 30 June, 2022 – Wajir County

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, the financial statements present fairly, in all material respects, the financial position of the Sabunley Secondary School – Wajir 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sabunley Secondary School Management in accordance with ISSAI 130 on 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 opinion.

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 Matters

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resource, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues 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.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2022. The financial statements were submitted on 11 March, 2024, which was one year and five

after the statutory deadline. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. Late submission of financial statements adversely affects the Office of the Auditor General in meeting the statutory timelines.

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

2. Non-Compliance with the Public Sector Accounting Standards Board

Review of the financial statements revealed that the values in the financial statements are not rounded to the nearest Kenya Shillings as provided in the Public Sector Accounting Standards Board PSASB Template for Schools under the significant accounting policy on statements of compliance and basis of preparation of the financial statements.

In the circumstances, Management did not comply with the PSASB reporting template requirements.

3. Management Failure to Prepare School Improvement Plan (SIP)

During the year under review, Management did not have an approved School Improvement Plan (SIP) showing priority areas to ensure the School has adequate textbooks, reference books and supplementary readers as required in section 2.2.1 of the Operation Manual by the Ministry of Education. This has resulted in the Ministry distributing 641 copies of textbooks not required by the School. Further, the Ministry distributed fewer set books compared to the number of students in the School by 263 copies.

In absence of School Improvement Plan, the School at risk of over or under supply of textbooks not needed.

4. Failure to Reconcile Student Enrollment Data

Review of student records revealed unexplained variance in student numbers between National Education Management Information System (NEMIS) and School registers resulting to tuition fees under disbursement on both capitation grants for tuition and operation fees as analyzed below:

Month	No. of Students Per NEMIS	No. of Students Per School Register	Expected Capitation Per Student (Kshs)	Total Expected Capitation Per School Register (Kshs)	Actual Capitation Received (Kshs)	Capitation Not Received (Kshs)
Enrolled Form 1 Operation	336	730	4,500	3,285,000	1,512,000	1,773,000
Enrolled Form1 Tuition	336	730	2,072	1,512,560	696,192	816,368

Management explained that the difference was due non-registration of students in the NEMIS register due to lack birth certificates and cases of over age students. This was contrary to the Ministry of Education Circular No. MOE.HQ/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, Management was in breach of the circular and the underfunding of the School may have affected service delivery to the students.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion of Report 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. Failure to Establish Board of Management Committees and Other Internal Controls Structures

During the year under review, Management has not put in place an Internal Audit Committee. This was contrary to Section 61(2) of the Basic Education Act, 2013 which requires the Board of Management to establish Finance, Procurement and General Purposes Committee, Academic Standards, Quality and Environment Committee, Ethics and Integrity Committee, Audit Committee and Human Rights and Student Welfare Committee to perform such functions and discharge such responsibilities as the Board may deem necessary.

Further, Management did not prepare and implement key internal control policies. The School lacked an IT Strategy Committee and an IT Steering Committee. This resulted in inadequacy in IT governance, which forms a critical part of the school governance structure.

In addition, the School did not have a Disaster Management and Recovery Policy including fire suppression systems and a Business and IT Continuity Plan including off-site back-ups and also lacked Accounting Software to manage accounts payable, accounts receivables, ledgers, invoices and assets.

In the circumstances, the existence of effective internal controls and governance mechanisms could not be confirmed.

2. Lack of Fixed Assets Register

Management did not maintain an asset register indicating the item, cost, location and serial/tag number. Further, Management did not provide land ownership documents for a parcel of land worth Kshs.12,600,000 where the school is built.

In the circumstances, the ownership and security of the School assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls 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 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to 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

22 September, 2024

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30TH JUNE 2022

I. STATEMENT OF RECEIPTS AND PAYMENTS			
DESCRIPTION OF VOTE HEAD	Note	2021-2022 June	Jan-June 2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	2,266,939	1,052,586.50
Capitation grants for operations & infrastructure	2	9,581,405	6,788,114.95
School Fund Income- Parents' Contributions	3	21,281,671	10,211,464.00
School Fund Income- Other receipts	4	3,292,000.00	
Proceeds from borrowings			
TOTAL RECEIPTS		36,422,015.00	18,052,165.45
PAYMENTS			
Payments for Tuition	5	2,677,588	663,800.00
Payments for operations and infrastructure	6	13,827,138	3,123,125.56
Boarding and school fund payments	7	21,913,637	11,434,310.25
TOTAL PAYMENTS		38,418,363.00	15,221,235.81
SURPLUS/DEFICIT		(1,996,348.00)	2,830,926.64

The school financial statements were approved on -----2022 and signed by:

HALIMA KAHIYA

Name:

chair B.O.M

Date: 30/06/2022

ABDI NOOR HAJI

Name:

school

BOM

Date: 30/06/2022

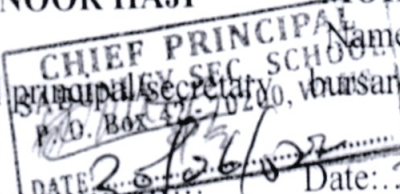
MOHAMED GAIYE

Name:

Principal/secretary, school

finance officer

Date: 30/06/2022



SABUNLEY SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES			
	Note	2021-2022 june	jan-june-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,679,364.42	3,675,712.42
Cash Balances	9	-	-
Short term Investment	10	-	-
Total Cash and Cash Equivalents			3,675,712.42
Account's receivables	11	-	-
TOTAL FINANCIAL ASSETS		1,679,364.42	3,675,712.42
FINANCIAL LIABILITIES			
Accounts Payable	12	-	-
NET FINANCIAL SSETS		1,679,364.42	3,675,712.42
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	3,675,712.42	844,782.78
Surplus/Defict for the year		(1,996,348.00)	2,830,926.64
NET FINANCIAL POSITION		1,679,364.42	3,675,712.42

The school financial statements were approved on -----2022 and signed by:

HALIMA KAHYA

Name:

chair B.O.M

Date: 30/06/2022

ABDI NOOR HAJI

Name:

school

BOM

Date:

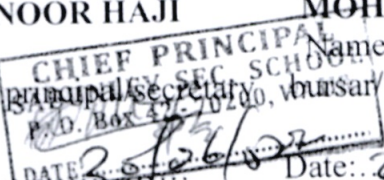
MOHAMED GAIYE

Name:

principal/secretary, B.O.M

Principal/secretary, B.O.M

Date: 30/06/2022



**SABUNLEY SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements For the year ended 30th June 2022

STATEMENT OF CASH FLOW			
		2021-2022 June	Jan-June-2021
		Kshs	kshs
Receipts from operating activities			
Capitation grants for tuition	1	2,266,939.00	1,052,586.50
Capitation grants for operations	2	9,581,405.00	6,788,114.95
School fund income- Parents contributions/ fees	3	21,281,671.00	10,211,464
School fund income- other receipts	4	3,292,000.00	-
Total receipts		36,422,015.00	18,052,165.45
Payments			
Payments for Tuition		2,677,588.00	663,800
Payments for operations & infrastructure		13,827,138.00	3,123,125.56
Boarding and school fund payments		21,913,637.00	11,434,310.25
Total payments		38,418,363.00	15,221,235.81
Net cash flow from operating activities		(1,996,348.00)	2,830,929.64
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Net cash flows from Investing Activities			
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,996,348.00)	2,830,235.81
Cash and cash equivalent at BEGINNING of the year		3,675,712.42	844782.78
Cash and cash equivalent at END of the year		1,679,364.42	3,675,712.42

The school financial statements were approved on -----2022 and signed by:

HALIMA KAHIYA

Name:
chair B.O.M

Date: 30/06/2022

ABDI NOOR HAJI

Name:
school principal/secretary, BOM

Date: 30/06/2022

MOHAMED GAIYE

Name:
bursar/finance officer

Date: 30/06/2022

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNT FOR 30TH JUNE 2022

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
1	Capitation grants for tuition	2,266,939	0	2,266,939	2,266,939	0	100%
2	Capitation grants for operations	12,873,405	0	12,873,405	12,873,405	0	100%
3	School Fund Income-Parents' Contributions	21,281,671	0	21,281,761	21,281,671	0	100%
	School Fund Income-Other receipts	0	0	0	0	0	0%
	Proceeds from borrowings	0	0	0	0	0	0%
	Total Receipts	36,422,015	0	36,422,105	36,422,015	0	100%
	Payments						
	Personnel emoluments	5,771,699	0	5,771,699	11,148,230	(5,376,531)	193%
	Gratuity	103,000	0	103,000	103,000	0	100%
	Administration costs	3,728,958	0	3,728,958	5,980,488	(2,251,530)	160%
	Teaching, learning and examination materials	2,266,939	0	2,266,939	2,674,530	(407,591)	118%
	Repairs , maintenance and improvements	7,154,943	0	7,154,943	3,493,920	3,661,023	90%
	Local transport / travelling	1,148,363	0	1,148,363	1,786,762	(638,400)	156%
	Electricity , water and conservancy	2,461,724	0	2,461,724	3,053,750	(592,026)	124%
	Medical expenses	0	0	0	0	0	0%
	Activity expenses	104,765	0	104,765	364,250	(259,485)	348%
	SMASSE	0	0	0	0	0	0%
	Boarding Equipment and Stores	13,681,625	0	13,681,625	9,801,376	3,880,249	266%
	Insurance costs	0	0	0	0	0	0%
	Bank charges	0	0	0	12,057	(12,057)	200%
	Grand Total	36,422,015.00	0	36,422,015.00	38,418,363	(1,996,348)	166%
	Surplus/Deficit	00	0	00	(1,996,348)	(1,996,348)	

VI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

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.

SABUNLEY SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

I. NOTES TO THE FINANCIAL STATEMENTS				
1 CAPITATION GRANT FOR TUITION				
			2021-2022 june	jan-june 2021
			kshs	Kshs
	Laboratory equipment and apparatus			68,051.25
	Teaching/learning materials		2,266,939.00	889,263.50
	chalks			13,610.25
	Internal exams			27,220.50
	Reference and library books			54,441.00
	Total		2,266,939.00	1,052,586.50
2 CAPITATION GRANT FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT				
			2021-2022 june	jan-june 2021
			kshs	Kshs
	Personnel emoluments		3,246,702.50	1,996,700.00
	Maintenance and improvement funds		3,088,000.00	3,496,000.00
	Local transport / travelling		649,340.50	165,400.00
	Electricity and water		1,298,681.00	620,140.00
	Administration costs		1,298,681.00	509,874.95
	Total		9,581,405.00	6,788,114.95
3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT				
			2021-2022 june	jan-june 2021
			ksh	Kshs
	Fee on Boarding Equipment and Stores		13,681,625.00	5,693,315.00
	Personnel emoluments		2,524,996.00	1,664,742.00
	Maintenance and improvement funds		774,943.00	1,393,988.00
	Local transport / travelling		499,022.00	182,990.00
	Electricity, water and conservancy		1,163,043.00	492,837.00
	Administration costs		2,430,277.00	579,875.00
	Workers service gratuity		103,000.00	126,600.00
	Activity		104,765.00	77,117.00
	Total		21,281,671.00	10,211,464.00
4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT				
			2021-2022 june	jan-june 2021
			Kshs	Kshs
	Repairs and Maintenance		3,292,000.00	
	Total		3,292,000.00	-

SABUNLEY SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

5 PAYMENTS FOR TUITION			
		2021-2022 June	Jan-june2021
		kshs	Kshs
Teaching/learning materials		2,674,530.00	613,200.00
Internal exams			50,000.00
Bank charges		3,058.00	600.00
		2,677,588.00	663,800.00
6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT			
		2021-2022 June	Jan-june2021
		kshs	Kshs
Personal Emoluments		5,166,609.00	1,771,336.50
Administration Cost		2,066,643.60	658,600.00
Repairs and maintenance & improvements		3,493,920.00	78,200.00
Local transport / travelling		1,033,321.80	120,000.00
Electricity and water		2,066,643.60	483,629.06
Medical and insurance		-	10,400.00
payee		-	960.00
TOTAL		13,827,138.00	3,123,125.56
7 BOARDING AND SCHOOL FUND PAYMENTS			
		2021-2022 June	Jan-June2021
		Kshs	Kshs
Activity		364,250.00	8,000.00
Personnel emoluments		5,981,621.00	3,019,726.25
Workers Service Gratuity		103,000.00	126,600.00
Maintenance & Improvements		-	402,550.00
Local transport / travelling		753,440.00	138,312.00
Electricity ,water and conservancy		987,106.00	409,863.00
Administration costs		3,913,844.00	924,000.00
Contigencies		-	5,479.00
Fee on Boarding Equipment and Stores		9,801,376.00	9,673,958.49
TOTAL		21,913,637.00	14,708,488.74

BANK ACCOUNTS				
Name of Bank, Account No. & currency		2021-2022 june	jan-june2021	
		kshs	Kshs	
Tuition Account		981.25	411,630.25	
Operations Account		46,593.44	1,040,097.39	
School Fund Account/Boarding		826,936.79	1,458,776.94	
Infrastructural Account		804,852.84	765,207.84	
Total		1,679,364.42	3,675,712.42	
11 ACCOUNTS RECEIVABLE				
Description		2021-2022 june	jan-june2021	
		Kshs	Kshs	
Fees arrears		-	-	
Inter account borrowing in operations		-	-	
inter account borrowing in operations		-	-	
Imprest		-	-	
Total		-	-	
[Include an ageing of the fees / non fees arrears below]				
Description		2021-2022 june	jan-june2021	
		Kshs	Kshs	
Fees arrears for current year		-	-	
Fees arrears for the previous year		-	-	
Fees arrears for prior periods (over two years)		-	-	
Total		-	-	
12 ACCOUNTS PAYABLE				
Description		2021-2022 june	jan-june2021	
		Kshs	Kshs	
Trade creditors (See ageing below and appendix 1)		-	-	
Prepaid fees		-	-	
Pocket money		-	-	
Retention monies/caution money		-	-	
Total		-	-	
Description		2021-2022 june	jan-june2021	
		Kshs	Kshs	
Trade creditors for current year		-	-	
Trade creditors for the previous year		-	-	
Trade creditors for prior periods (over two years)		-	-	
Total		-	-	
13 FUND BALANCE BROUGHT FORWARD				
Description		2021-2022 june	jan-june2021	
		Kshs	Kshs	
Bank balances		3,675,712.42	4,118,961.00	
Total		3,675,712.42	4,118,961.00	

ANNEX 4- SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Land	12,600,000	0	0	12,600,000
Buildings and structures	39,600,000	0	0	39,600,000
Transport equipment	1,200,000	0	0	1,200,000
Office equipment, furniture and fittings	1,300,000	0	0	1,300,000
ICT Equipment, Software and Other ICT Assets	1,000,000	0	0	1,000,000
Other Machinery and Equipment	180,000	0	0	180,000
Heritage and cultural assets	200,000	0	0	200,000
Intangible assets	300,000	0		300,000
Total	56,380,000	0	0	56,380,000