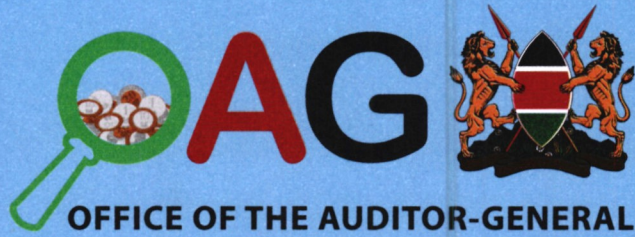


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT 26 OCT 2023 Thursday

TABLED BY:	Hon. Aum Baya (Deputy Majority leader)
OF	Anne Shibusko

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THE AUDITOR-GENERAL

ON

MASII BOYS HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2021**

MACHAKOS COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

12 OCT 2023

RECEIVED

Revised 30th June 2021.



(MASII BOYS HIGH SCHOOL)
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR SIX MONTHS
FOR THE FINANCIAL YEAR ENDED
30th June 2021

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

(MASII BOYS HIGH SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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MASH BOYS HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

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 **Machakos County, Mwala Sub-County**

The school was registered in **July 2017** under registration number **16S30000194** and is currently categorized as an **Extra county** public school established, owned or operated by the Government.

The school is a boys boarding school and had **689** number of students as at **30th June 2021**. It has **4 streams** and **35 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	Daniel Ndonge	Chairman	May 2019
2	Felkin N Kaingu	Secretary - Principal	„
3	Henry Kioko	Member	„
4	Reuben Mutyaene	Member	„
5	Gathecha Doreen	Member	„
6	Elizabeth Kimulu	Member	„
7	Duncan Muyale	Member	„
8	Francis Mutiso	Member – Rep CEB	„
9	Mutava C.M	Member Rep Teachers	„
	Daniel Ndonge Elen Waila		
10	Rev Francis Kimeu	3 Members - Sponsor	„
11	Charles K Mutinda	Member - Community	„
12	Samson Muli	MemberSpecial Needs	„
13	Martin Nduku	Rep Students	„

(MASII BOYS HIGH SCHOOL)
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For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule 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	Daniel Ndonge F.N.Kaingu Ellen Waila Mutendwa Paul Muyale D	BOM Chairman Secretary Member Member Member	1
2	Audit Committee			0
3	Finance, procurement and general purposes Committee	Daniel Ndonge Duncan Muyale Reuben Mutyaene F.N.Kaingu		1/3
4	Academic Committee	Kimulu E Charles Mutinda Francis Mutioso Samson Muli Charles Mutava Gathecha D	Chairperson Member " " " "	2/3

(MASII BOYS HIGH SCHOOL)
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5	Development Committee	Mr Mutyaene Mr Muyale Mrs Kariuki M Mr Kaingu F Mr Ngao F M.O.E Representative	Chairman PA Chairman BOM Chairman Principal Secretary Member	1/3
6	Discipline and welfare Committee	Henry Kioko Duncan Muyale Rev Kimeu F Ellen Waila	Member " " "	1/3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Joseph Mutua Nzoka	353002
2	Deputy Principal	Mr Ngao	392391
3	School Bursar	Juliana M Musau	B.O.M

(MASII BOYS HIGH SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 7, 90101.
Telephone: 0713362646
E-mail: masiischool@gmail.com
Website: www.masiiboys.ac.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 7 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB
Branch: MACHAKOS
Account Number: 1106389751 - SCHOOL FUND ACCOUNT
MPESA Pay Bill No. 522123 Account No. 33039K attached to 1106389751 bank account
2. Name of Bank: KCB
Branch: MACHAKOS
Account Number: 1106314778 – TUITION ACCOUNT
3. Name of Bank: KCB
Branch: MACHAKOS
Account Number: 1124847170 – OPERATION ACCOUNT
4. Name of Bank: KCB
Branch: MACHAKOS
Account Number: 1253591474 – INFRASTRUCTURE ACCOUNT
5. Name of bank: KCB
Branch: MACHAKOS – RESERVE FUND
Account number: 1104117991
6. Name of bank: KCB
Branch: MACHAKOS
Account number: 1104116472 – CAUTION MONEY
7. Name of bank: KCB
Branch: MACHAKOS
Account number: 1104116367 – PTA ACCOUNT

(MASII BOYS HIGH SCHOOL)
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For the year ended 30th June 2021

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

(MASII BOYS HIGH SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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:

YEAR	SCHOOL FUND	OPERATIONS	TUITION	TOTAL
2019	(2,888,713.15)	261,637.20	(628,730.60)	(3,255,806.55)
2020	4,091,588.00	1,105,438.45	73,553.00	5,270,579.45
June 2021	1,013,001.25	379,841.10	44,983.00	1,437,825.35

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

YEAR	OPERATION	TUITION	TOTALS
2019	8,080,846.20	2,203,226.90	10,284,073.10
2020	8,052,110.00	1,242,013.00	9,294,123.00
June 2021	5,446,034.10	868,348.00	6,314,382.10

- *Ratio of capitation grant per student over the last three years*

	Grants received	Enrolment	Ratio
2019	10,284,073.10	645	1:15,944.29
2020	9,294,123.00	685	1:13,568.06
June 2021	6,314,382.10	689	1:9,164.56

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

YEAR	SCHOOL FUND
2019	33,532,477.00
2020	24,825,908.50
June 2021	14,663,893.75

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

	SCHOOL FUND	OPERATIONS	TUITION	TOTALS
2019	36,421,190.00	7,866,389.00	2,831,957.50	47,119,536.50
2020	20,734,320.50	6,946,671.55	1,168,460.00	28,849,452.05
June 2021	13,650,892.50	5,066,193.00	823,365.00	19,540,450.50

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

ACCOUNTS RECEIVABLES/DEBTORS

YEAR	TOTALS KSHS
2019	4,871,773.00
2020	7,317,648.00
June2021	7,800,984.00

ACCOUNTS PAYABLES/ CREDITORS

YEAR	TOTALS KSHS
2019	3,876,081.00
2020	2,729,057.00
June2021	2,414,458.00

- *Movement of cash and bank balances over the last three years(kshs)*

YEAR	CASH	BANK BALANCES
2019	28,981.60	1,521,683.99
2020	20,973.60	1,829,604.85
June 2021	46,880.60	2,443,588.20
TOTALS	96,835.80	5,794,877.04

(MASII BOYS HIGH SCHOOL)
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b) **Teacher Student ratio:**

1:28

Newly employed teachers by TSC	- 4
Transferred teachers	- 5
Retired teachers	- 2
Teachers employed by BOM	- 6

SUBJECT	TEACHERS AVAILABLE	SHORTFALL
1. English	5	0
2. Kiswahili	2	1
3. Mathematics	3	1
4. Chemistry	4	0
5. Physics	1	0
6. Biology	4	0
7. Geography	1.5	0
8. History and government	2	0
9. C.R.E	2.5	0
10. Agriculture	1.5	0
11. Electricity	1	0
12. Computer studies	0	2
13. Business Education	1.5	0
14. Life skills	1	0
15. P.E	1	0

c) **Mean score in the 2021 KCSE 5.91**

Those transitioned to institutions of higher learning

Universities A to C+

2018	24	13%
2019	33	23%
2020	49	33%

(MASII BOYS HIGH SCHOOL)
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Diploma colleges C to D+

2018	116	62%
2019	95	66%
2020	96	64%

The school has been on upward trend in performance and transition to institutions of higher learning

2018	4.63	+ 0.13
2019	5.51	+ 0.88
2020	5.91	+ 0.40

PERFORMANCE OF THE SCHOOL.

d) Number of Candidates in the 2021 KCSE:

YEAR	ENR	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y	P	W	MN	
2018	188	0	0	1	3	5	15	20	46	50	42	6	0						4.63 C-
2019	144	0	0	0	11	11	11	34	35	26	15	1	0						5.51 C
2020	149	0	1	5	2	13	28	39	29	28	2	2	0						5.91 C

(MASII BOYS HIGH SCHOOL)
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e) Capacity of the school:

NUMBER OF STUDENTS 689 WITH FOUR STREAMS

FORM 1	FORM 2	FORM 3	FORM 4	TOTAL
170	162	208	149	689

AREA	RECOMMENDED RATIO	IDEAL NO.	ACTUAL-30.6.2021	COMMENTS
Toilets- (boarding area)	1:30 + urinal	23	22	shortage of 1
Toilets (tuition area)	1:30+ urinal	23	21	shortage of 2
Dormitories	688 students capacity	689	689	not sufficient
Dinning Hall	800 students capacity	689	689	Adequate
Laboratories	1 stream for 1 lab	4	3	Shortage of 1

f) Development projects carried out by the school:

SOURCE OF FUNDS	PROJECT	
Ministry of Education	New roofing in classes and administration block	2,372,575.00
	Putting cabros outside the dining hall	249,000.00
	Plumbing work in the dormitories and school main water tank	645,380.00
Total		3,266,955.00

All projects were complete by 30th June 2021

Sign 
 School Principal



(MASII BOYS HIGH SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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 *Masii boys high 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, 2021, and of the school's financial position as at that date.

Name: DR. WINFRED MUTUKU
Designation: Chairman, School Board of Management

Sign: 

Date: 13/7/2023

Name: JOSEPH M NZOKA
Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 13/7/2023



Name: JULIANA MUSAU
Designation: Bursar/ Finance Officer

Sign: 

Date: 13/7/2023

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 MASII BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - MACHAKOS 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Masii Boys High School - Machakos County set out on pages 14 to 26, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Masii Boys High School - Machakos County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracy in School Fund Income – Parents’ Contribution Fees

The statement of receipts and payments reflects school fund income – parents’ contribution fees receipts of Kshs.14,491,292 which, as disclosed in Note 3 to the financial statements, includes an amount of Kshs.6,255,074 in respect of boarding equipment and stores. However, the amount of Kshs.6,255,074 differs from the ledger amount of Kshs.5,314,995 resulting in an unexplained variance of Kshs.940,079.

In the circumstances, the accuracy and completeness of receipts from boarding equipment and stores of Kshs.6,255,074 could not be confirmed.

2. Inconsistencies in the Amounts in the Statement of Cash Flows and Notes to Financial Statements

Several balances reflected in the statement of cash flows differed with the amounts reflected in the Notes to the financial statements as detailed below;

Item	Note	Amount as per Statement of Cash Flows (Kshs.)	Amount as per Notes (Kshs.)	Variance (Kshs.)
Capitation grants for operations	2	5,515,734	5,446,034	69,700
School fund income-Parents contributions/fees	3	13,766,167	14,491,292	725,125
Payments for operations	6	5,452,868	5,066,193	386,675
Boarding and school fund payments	7	13,406,727	13,650,893	244,166

The variances were not reconciled or explained.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Masii Boys High 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 the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional 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.

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. Irregular Transfers of Funds to the Kenya Secondary Schools Heads Association

During the year under review, the School transferred co-curricular funds totalling Kshs.143,320 to the Kenya Secondary School Heads Association (KESSHA), a private entity that is not subject to the Public Finance Management Act, 2012 without authority or law governing such payments. The funds were wired from the Government operation capitation grants account to KESSHA without any supporting legal framework as the entity is a welfare organization that draws its membership from Schools Principals.

In the circumstances, the propriety and regularity of the expenditure totalling Kshs.143,320 could not be confirmed.

2. Irregular Procurement of Goods and Services

The statement of receipts and payments reflects an expenditure of Kshs.13,650,892 under boarding and school fund payments which, as disclosed in Note 7 to the financial statements, includes amounts of Kshs.6,545,566 and Kshs.262,000 incurred on boarding

equipment and uniform/mattresses, respectively. However, examination of the expenditure on a sample basis revealed the following anomalies;

- i. The advertisement for the supplies was done on the school notice board, churches and the CDE notice board. It was therefore not possible to confirm if the coverage was sufficient to ensure competitiveness as required under Section 157(1 and 3) of the Public Procurement and Assets Disposal Act, 2015 which requires that citizens should participate in procurement proceedings without discrimination except where participation is limited in accordance with the Act;
- ii. There were no letters of appointment of Members to the Tender Opening Committee and the Tender Evaluation Committee in line with Sections 78(1) and 80(1) of the Public Procurement and Assets Disposal Act, 2015 which requires the Accounting Officer to appoint Ad Hoc Committees to perform various functions in procurement proceedings;
- iii. The evaluation criteria was not outlined in the advertisement notice contrary to Section 70(3) of the Public Procurement and Assets Disposal Act, 2015 which states that the tender documents should contain sufficient information to allow fair competition among those who may wish to submit tenders;
- iv. The minutes of Evaluation Committee were not signed or initialized on each page as required under Section 80(7) of the Public Procurement and Assets Disposal Act, 2015;
- v. The professional opinion was not provided contrary to Regulation 84(2 and 3) of the Public Procurement and Asset Disposal Regulations, 2020;
- vi. There was no Inspection and Acceptance Committee to verify the goods delivered were of the right quality and quantity as required under Section 48(1)(4) d of the Public Procurement and Assets Disposal Act, 2015;
- vii. There was no market survey conducted contrary to Section 54(2) of the Public Procurement and Assets Disposal Act, 2015 and the goods could have been procured at inflated prices;
- viii. There was no notice to award the contract to the winning bidders contrary to section Regulation 87(1)(2) of the Public Procurement and Asset Disposal Regulations, 2020 and no contracts signed between the school and the winning bidders were provided for audit verification.

In the circumstances, propriety of expenditure amounting to Kshs.2,925,526 could not be confirmed. Management was also in breach of the law.

3. Non-Compliance with the Act on Distribution of Textbooks

The Ministry of Education capitation amount of Kshs.22,244 per student per year includes teaching, learning materials and exams amount of Kshs.4,144. Review of records indicates that an amount of Kshs.847 per student was retained at the Ministry for the

supply of learning materials all totaling to Kshs.577,313. However, inspection of the store records and discussions with the Management revealed that no textbooks were delivered to the school during the year under review. This is contrary to the requirements of Section 39 of Basic Education Act, 2013 on responsibilities of the Government which states that it is the responsibility of the Government to provide infrastructure including schools, learning and teaching equipment and appropriate financial resources and ensure quality basic education conforming to the set standards and norms.

Further, evaluation of textbooks delivered to the school against the number of students in the respective streams revealed excess deliveries of 3,156 textbooks in the year 2018 which have not been put to use to date.

In the circumstances, the failure to provide learning materials as and when required may impact negatively on the planned learning outcomes. Further, value for money on the excess supply of textbooks could not be confirmed.

4. Underfunding for Capitation

During the year under review, capitation per student was Kshs.22,244 which translates to a total of Kshs.7,663,058 based on the student enrollment of 689 for a duration of six (6) months. However, the school received a total Kshs.6,314,382 and was, therefore, underfunded to the tune of Kshs.1,348,676. This was contrary to the requirements of Section 39 of the Basic Education Act, 2013 on responsibilities of the Government which states that it is the responsibility of the Government to provide infrastructure including schools, learning and teaching equipment and appropriate financial resources and ensure quality basic education conforming to the set standards and norms.

In the circumstances, the underfunding may have impacted negatively on the planned learning outcomes.

5. Identification, Collection and Accounting for Revenue

During the year, the School received a total of Kshs.172,601 from rent income, farming activities, bus hire and tender fees income. However, the basis for charging the revenues was not provided.

In the circumstances, it was not possible to confirm whether the School obtained value from the services rendered.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Controls in Fuel Management

Review of sampled payments with respect to fuel totaling Kshs.142,000 revealed that the purchase of fuel by the school was made through cash and the expenditure was later supported by a fuel purchase receipt. However, the purchase receipts were not supported by Electronic Tax Register (ETR) receipts. As a result of the failure to attach accountable and verifiable ETR receipts, the validity and the authenticity of the transactions and the expenditure could not be confirmed.

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

2. Lack of Fixed Asset Register

During the year under review, the School did not maintain an updated fixed asset register, hence it was not possible to determine the existence of the assets controlled by the entity and the historical costs associated with the acquisition of the assets.

In the circumstances, the existence of proper control systems of assets management to prevent theft, security threats, losses, wastage and misuse could not be confirmed.

3. Inaccurate Number of Student Enrolled in NEMIS

Examination of documents provided for audit revealed that there were discrepancies between the data in the National Education Management Information System (NEMIS) and School records relating to the enrolment of students. During the financial year 2020/2021, the NEMIS reported a total number of 689 students while the records provided by the School indicated a total of 662 students, which resulted in over enrollment of twenty-seven (27) students.

Further, it was noted that the school had students who were not registered in the NEMIS due to lack of birth certificates or duplicate birth certificate numbers. It was also noted that the school had ten (10) students who were over eighteen (18) years and should have been removed from the NEMIS system.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 October, 2023

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	Jan - June 2021	2020-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	868,348.00	1,242,013.00
Capitation grants for operations	2	5,446,034.10	8,052,110.00
School Fund Income- Parents' Contributions	3	14,491,292.00	24,274,787.00
School Fund Income- Other receipts	4	172,601.75	551,121.50
Proceeds from borrowings		0	0
TOTAL RECEIPTS		20,978,275.85	34,120,031.50
PAYMENTS			
Payments for Tuition	5	823,365.00	1,168,460.00
Payments for operations	6	5,066,193.00	6,946,671.55
Boarding and school fund payments	7	13,650,892.50	20,734,320.50
TOTAL PAYMENTS		19,540,450.50	28,849,451.05
SURPLUS/DEFICIT		1,437,825.35	5,270,579.45

The school financial statements were approved on 13th July 2023 and signed by:

Sign: 

Name **DR. WINFRED MUTUKU**

Chair BOM

Date 13/7/2023

Sign: 

Name **JOSEPH M. NZOKA**

School Principal/
Secretary to BOM

Date 13/7/2023

Sign: 

Name **JULIANA MUSAU**

Bursar/
Finance Officer


Date 13/7/2023

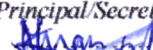
(MASII BOYS HIGH SCHOOL)
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

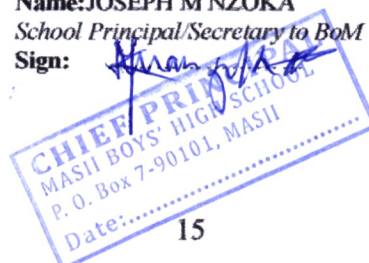
	Note	Jan - June 2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,443,588.20	1,829,604.85
Cash Balances	9	46,880.60	20,973.60
Short term Investment	10	0	0
Total Cash and cash equivalent		<u>2,490,468.80</u>	<u>1,850,578.45</u>
Account's receivables	10	7,800,984.00	7,317,648.00
TOTAL FINANCIAL ASSETS		10,291,452.80	9,168,226.45
FINANCIAL LIABILITIES			
Accounts Payables	11	(2,414,458.00)	(2,729,057.00)
NET FINANCIAL ASSETS		7,876,994.80	6,439,169.45
REPRESENTED BY			
Accumulated Fund b/fwd	12	6,439,169.45	1,168,590.00
Surplus/Deficit for the year		1,437,825.35	5,270,579.45
NET FINANCIAL POSSITION		7,876,994.80	6,439,169.45

The School's financial statements were approved on 13th July 2023 and signed by:

DATE..... 13/7/2023.....
Name: WINFRED MUTUKU
 Chairman, BoM
Sign: 

DATE..... 13/7/2023.....
Name: JOSEPH M NZOKA
 School Principal/Secretary to BoM
Sign: 

DATE... 13/7/2023.....
NAME JULIANA MUSAU
 Bursar/Finance
Sign: 



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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		Jan - June 2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	868,348.00	1,242,013.00
Capitation grants for operations	2	5,515,734.10	8,148,810.00
School fund income- Parents contributions/ fees	3	13,766,167.00	21,319,360.00
School fund income- other receipts	4	172,601.75	551,121.50
Total receipts		20,322,850.85	31,261,304.50
Payments			
Payments for Tuition		823,365.00	1,168,460.00
Payments for operations		3,359,438.00	5,269,753.00
Boarding and school fund payments		13,406,727.50	21,795,327.50
Total payments		17,589,530.50	28,233,540.50
Net cash flow from operating activities		2,733,320.35	3,027,764.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		(2,093,430.00)	(1,336,340.00)
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash flows from Investing Activities		(2,093,430.00)	(1,336,340.00)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash flow from financing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS		639,890.35	1,691,424.00
Cash and cash equivalent at BEGINNING of the year		1,850,578.45	159,154.45
Cash and cash equivalent at END of the year		2,490,468.80	1,850,578.45

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Exercise books	331,560	0	331,560	185,464	146,096	55.9%
Laboratory equipment	442,800	0	442,800	170,721	272,079	38.5%
Internal exams	331,560	0	331,560	170,721	160,839	51.5%
Teaching / learning materials	331,560	0	331,560	170,721	160,839	51.5%
Chalks	110,160	0	110,160	170,721	(60,561)	154.9%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,014,250	0	2,014,250	1,400,876	613,374	69.5%
Repairs and maintenance	3,295,000	0	3,295,000	1,555,000	1,740,000	185%
Local transport / travelling	641,550	0	641,550	598,059	43,491	93.2%
Electricity and water	1,102,850	0	1,102,850	699,160	403,690	60.7%
Administration costs	1,100,400	0	1,100,400	574,819	525,681	52.2%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,610,000	0	1,610,000	1,410,534	199,466	87.6%

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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Repairs and maintenance	840,000	0	840,000	996,042	(156,042)	118.5%
Local transport / travelling	402,500	0	402,500	393,040	9,460	97.6%
Electricity and water	1,715,000	0	1,715,000	1,649,301	65,699	96%
Administration costs	647,500	0	647,500	724,597	(77,097)	112%
Activity	402,500	0	402,500	460,961	(58,461)	114.5%
Fee on Boarding Equipment and Stores	9,584,750	0	9,584,750	5,314,995	4,269,755	55.4%
OTHER INCOME						
Rent income	168,600	0	168,600	95,605	72,995	56.7%
Uniform /Matress	2,200,000	0	2,200,000	636,090	1,563,910	29%
Academic programmes	2,067,000	0	2,067,000	1,707,810	359,190	82.6%
TOTAL INCOME	29,339,540	0	29,339,540	13,388,975	15,950,565	45.6%
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	3,450,000	0	3,450,000	823,380	2,626,620	23.9%
Bank Charges						
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	3,624,250	0	3,624,250	2,202,734	1,421,516	60.7%
Repairs, maintenance & improvements	3,295,000	0	3,295,000	1,538,550	1,756,450	214%
Local transport / travelling	641,550	0	641,550	20,606	620,944	3.2%

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Receipts/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Electricity, water and conservancy	1,102,850	0	1,102,850	91,540	1,011,310	8.3%
Administration costs	1,100,400	0	1,100,400	369,753	730,647	33.6%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	3,423,575	0	3,423,575	661,219	2,762,356	19.3%
Repairs, maintenance and improvements	862,500	0	862,500	658,900	203,600	76%
Local transport / travelling	950,000	0	950,000	565,670	384,330	59.5%
Electricity, water and conservancy	2,783,000	0	2,783,000	2,023,876	759,124	72.7%
Administration costs	1,197,500	0	1,197,500	1,165,661.5	31,838.5	97%
Activity	842,000	0	842,000	51,950	790,050	6.16%
Academic programme	2,067,000	0	2,067,000	1,647,400	419,600	79.7%
Boarding Equipment and Stores	8,605,000	0	8,605,000	6,545,566	2,059,434	76% ⁰
TOTALS	33,944,625	0	33,944,625	18,366,805.50	15,577,819.50	54%

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. Below 90% The school had a lot of balances brought forward due to closure of schools in 2020.
- ii. Over utilization in electricity vote is due to high charges and fumigation services because of covid 19
- iii. Allocation of funds in different vote heads is minimal
- iv. P.Emoluments – Most of the salaries were paid using operation account

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

Masii boys high 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 (Continued)

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 for the calendar year 2021 had been prepared and approved by the School Board of Management on 15th January 2021 Vide min.4/15/1/2021:Budget proposal prior to the guidelines issued on implementation of the International public sector accounting standards (IPSAS) to all public secondary schools in Kenya and change of financial reporting from 1st July to 30th June effective from 30th June 2021 and subsequent periods Ref.PSASB/1/12 Vol.111(13) and Ref.MOE/DSAS/FIN/17/1/17 dated 19TH August 2021. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. However, the original / final budget in the statement of budgeted verses actual amounts has been adjusted by half since the accounting period is for six months.

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. The previous year 2020 financial statements prepared for 12 months have been converted to conform with the new approved reporting template issued by the PSASB (Revised June 2021) for continuity and

SIGNIFICANT ACCOUNTING POLICIES (Continued)

comparability. The reporting period is for six months and has been treated as the Base year

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after adoption to IPSAS cash and change in accounting period from the former 1ST January – 31ST December to 1ST July-30th June. Thus the comparative figures may not be comparable due to the change in accounting periods.

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 2021. However, the previous years books of accounts up to the year 2020 had been audited by the Ministry of Education.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	Jan-june 2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	185,464.00	
Laboratory equipment	170,721.00	0
Internal exams	170,721.00	0
Teaching / learning materials	170,721.00	1,242,013.00
Chalks	170,721.00	0
Exams and assessment	0	0
Teachers guides	0	0
Total	868,348.00	1,242,013.00

2 CAPITATION GRANT FOR OPERATIONS

	Jan-june 2021	2020-2020
	Kshs	Kshs
Personnel emoluments	2,000,876.10	2,532,500.00
Repairs and maintenance	1,555,000.00	2,684,000.00
Local transport / travelling	598,059.00	335,500.00
Electricity and water	699,160.00	834,250.00
Rent	18,120.00	24,760.00
Administration costs	574,819.00	667,000.00
M&I covid preparedness	0	331,500.00
Activity		268,400.00
Medical/Insurance		134,200.00
BOM teachers grant		240,000.00
Total	5,446,034.10	8,052,110.00

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3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	Jan-june2021	2020-2020
	Kshs	Kshs
Personnel emoluments	1,410,534.00	1,988,970.00
Repairs and maintenance	996,042.00	772,736.00
Local transport / travelling	393,040.00	509,570.00
Electricity and water	1,649,301.00	1,672,608.00
Boarding equipment and stores	6,255,074.00	13,442,760.00
Administration costs	724,597.00	809,840.00
Activity	460,961.00	483,500.00
KCSE Examination	11,400.00	41,000.00
Academic programmes	1,707,810.00	1,750,935.00
Uniform/ Mattress	636,090.00	2,216,105.00
Lost items	246,443.00	586,763.00
Total	14,491,292.00	24,274,787.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	Jan-june2021	2020-2020
	Kshs	Kshs
Rent income	95,605.00	330,040.00
Income from farming activities	12,316.75	69,981.50
Fees refund	54,680.00	44,100.00
Bus hire	10,000.00	58,000.00
Tender fee	0	49,000.00
Total	172,601.75	551,121.50

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5 PAYMENTS FOR TUITION

	Jan-june2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	0
Laboratory equipment	382,870.00	74,000.00
Internal exams	370,055.00	0
Teaching / learning materials	0	1,094,100.00
Chalks	70,200.00	0
Exams and assessment	0	0
Teachers guides	0	0
Administration Costs	0	0
Bank Charges	240.00	360.00
Total	823,365.00	1,168,460

6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT

	Jan-june 2021	2020-2020
	Kshs	Kshs
Personnel emoluments	2,202,734.00	3,363,024.00
Administration Cost	369,633.00	674,350.55
Repairs and maintenance & improvements	2,381,680.00	1,616,890.00
Local transport / travelling	20,606.00	123,610.00
Electricity and water	91,540.00	941,761.00
Medical	0	77,236.00
Activity Expenses	0	149,800.00
SMASSE	0	0
Insurance Cost	0	0
Bank Charges	0	0
TOTAL	5,066,193.00	6,946,671.55

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 BOARDING AND SCHOOL FUND PAYMENTS

	Jan-june2021	2020-2020
	Kshs	Kshs
Personnel emoluments	661,219.00	2,805,739.00
Fees Refund	27,000.00	82,200.00
Repairs and maintenance & Improvements	658,900.00	1,271,550.00
Local transport / travelling	565,670.00	857,713.00
Electricity and water	2,023,876.00	2,195,398.00
Activity	51,950.00	480,315.00
Administration costs	1,160,961.50	957,473.50
Farm expenses	46,350.00	68,530.00
Bus hire	0	28,000.00
Fee on Boarding Equipment and Stores	6,545,566.00	7,569,221.00
Rent Expenses	0	6,600.00
Academic programmes	1,647,400.00	1,540,401.00
Medical	0	129,480.00
Uniform and mattress	262,000.00	2,694,500.00
KCSE Examination	0	47,200.00
TOTAL	13,650,892.50	20,734,320.50

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	Jan-june2021	2020-2020
		Kshs	Kshs
Tuition Account	1106314778	124,771.63	79,788.63
Operations Account	1124847170	1,111,926.55	210,699.45
School Fund Account/Boarding	1106389751	674,824.61	163,921.36
Savings Account – reserve fund	1104117991	10,614.96	10,614.96
Savings Account – pta	1104116367	7,045.20	7,045.20
Savings Account - caution money	1104116472	7,015.25	7,015.25
Infrastructural Account	1253591474	507,390.00	1,350,520.00
Total		2,443,588.20	1,829,604.85

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9 CASH IN HAND

Description	Jan-june2021	2020-2020
	Kshs	Kshs
Tuition Account	0	0
Operation Account	6,890.45	2,121.45
School Fund account	39,990.15	18,852.15
Total	46,880.60	20,973.60

10 SHORT TERM INVESTMENTS

Description	Jan-june 2021	2020-2020
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	Jan -june2021	2020-2020
	Kshs	Kshs
Fees arrears	7,688,034.00	7,186,648.00
PAYE	3,050.00	0
Salary advances	15,900.00	44,000.00
R.D cheques	10,000.00	0
Imprest	0	3,000.00
Rent arrears	84,000.00	84,000.00
Total	7,800,984.00	7,317,648.00

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

Description	Jan-june 2021	2020-2020
	Kshs	Kshs
Fees arrears for current year	3,048,806.00	3,125,228.00
Fees arrears for the previous year	577,808.00	902,864.00
Fees arrears for prior periods (over two years)	4,061,420.00	3,158,556.00
Total	7,688,034.00	7,186,648.00

12 ACCOUNTS PAYABLE

Description	Jan-june 2021	2020-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,701,118.00	1,788,978.00
Prepaid fees	708,340.00	940,079.00
Bursary	5,000.00	
Total	2,414,458.00	2,729,057.00

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Description	Jan-june2021	2020-2020
	Kshs	Kshs
Trade creditors for current year	1,537,224.00	1,788,978.00
Trade creditors for the previous year	163,894.00	0.00
Trade creditors for prior periods (over two years)	0.00	0.00
Total	1,701,118.00	1,788,978.00

13 FUND BALANCE BROUGHT FORWARD

Description	Jan-june2021	2020-2020
	Kshs	Kshs
Bank balances	1,829,604.85	133,032.40
Cash balances	20,973.60	26,121.60
Short Term Investments	0	0
Receivables	7,317,648.00	4,885,517.00
Payables	(2,729,057.00)	(3,876,081.00)
Total	6,439,169.45	1,168,590.00

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Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	Jan-june2021	2020-2020
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total	0	0

15 Biological assets

Description	Numbers	Jan-june2021	2020-2020
		Numbers	Numbers
Cattle		5	5
Goats		0	0
Trees		0	0
Coffee or tea plantation		0	0
Poultry		0	0
Total		5	5

16 Borrowings

Description	Jan-june2021	2020-2020
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	(0)	(0)
Balance at end of the year	0	0

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Other important disclosure notes

17 Stock/ Inventory-Consumable items

Description	Jan – June 2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	0.00	0
Stock/ inventory purchased during the year	0.00	0
Stock/ inventory issued during the year	0.00	0
Balance at end of the year	387,500.00	0

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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)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To Date c Kshs	Outstanding Balance June 2021 d=a-c Kshs	Outstanding Balance 2020 Kshs	Comments
Construction of buildings						
1.						
2.						
3.						
Sub-Total	0.00		0.00	0.00		
Supply of goods						
4. Kenblest foods	133,950	30.06.2021	0.00	133,950	nil	To be settled in full
5. Fabbyeddy supplies	203,000	17.05.2021	0.00	203,000	nil	
6. Peter plumbing stores	41,450	10.06.2021	0.00	41,450	ni	
7. Facelight comm ltd	6,500	05.06.2021	0.00	6,500	nil	
8. Nick petnick Enterprises	23,400	30.06.2021	0.00	23,400	nil	
9. Fadecan G supplies	130,620	30.06.2021	0.00	130,620	nil	
10. Masii Christian chapel	30,690	30.06.2021	0.00	30,690	nil	
11. Friends selection shop	9,540	30.06.2021	0.00	9,540	nil	
12. Mercury plaza	45,000	25.06.2021	0.00	45,000	nil	
13. Jossnsd G Merchants	4,100	24.06.2021	0.00	4,100	nil	
14. Q&T Investment	324,000	26.06.2021	0.00	324,000	nil	
15. Phijoe Enterprises	145,000	28.06.2021	0.00	145,000	nil	
16. Copy cat	206,000	02.02.2021	0.00	206,000	nil	
17. Metah auto Spares	7,250	18.05.2021	0.00	7,250	nil	
18. Masii Eastern Agrovet	11,930	30.6.2021	0.00	11,930	nil	
19. Kenafrick bakery	481,788.00	2020/june 2021	(127,000)	190,894	163,894.00	
20. Oasis hardware	23,900	30.06.2021	0.00	23,900	nil	
21.						
Sub-Total	1,828,118.00		(127,000.00)	1,537,224.00	163,894.00	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance June 2021	Outstanding Balance 2020	Comments
Supply of services						
21.						
22.						
23.						
Sub-Total	0.00		0.00	0.00	0.00	
Grand Total	1,828,118.00		(127,000.00)	1,537,224.00	163,894.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Unit	Date purchased	Location	Historical balances b/f No. 1 st Jan 2021	Additions during the year No.	Disposals during the year No.	Historical balances c/f No. 30 th June 2021
Land 1	Acres	27.03.1965	school	10.60	0	0	10.60
Land 2	Acres	01.05.1997	About 2 kms from the school compound	0.125	0	0	0.125
Buildings and structures	No.		School	131	0	0	131
Motor vehicles -	No.	25.09.2002 KAN 503U	School compound	2	0	0	2
		03.03.2008 KBB 403S					
Office equipment, furniture and fittings	No.		school	2,303	0	0	2,303
ICT equipment and other ICT assets	No		Computer lab /offices	40	0	0	40
Tools and apparatus	No		School laboratory	7,430	2720	0	10,150
Text books	No		School library	13,888	146	(431)	13,603

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Textbooks

100



100

100