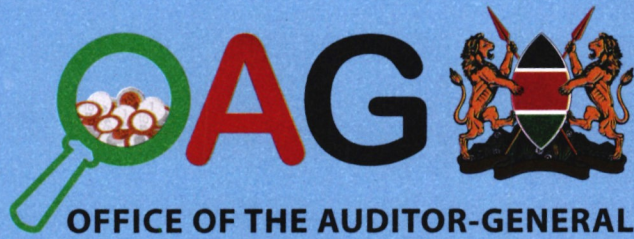



REPUBLIC OF KENYA



Enhancing Accountability



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 NOV 2023	DAY: WED
TABLED BY:	Hon Owen Baya, CBS, MP Deputy majority Leader
CLERK-AT-THE-TABLE:	Esther Nginyo

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REPORT

OF

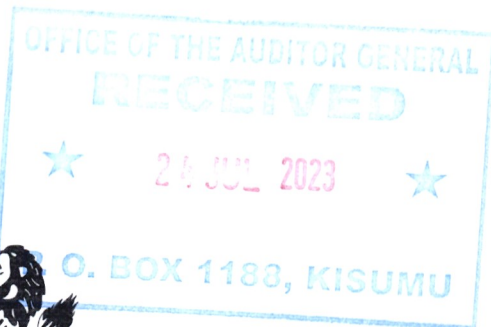
THE AUDITOR-GENERAL

ON

MARANDA HIGH SCHOOL

**FOR THE SIX MONTHS' PERIOD
ENDED 30 JUNE, 2021**

SIAYA COUNTY



**MARANDA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

SIX MONTH REPORT AND FINANCIAL STATEMENTS

**FOR THE SIX MONTH PERIOD ENDED
30 June 2021**

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

**Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021**

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

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Maranda High School
Reports and Financial Statements
For six month ended 30 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 **Siaya** County, **Bondo** Sub-County. The school was re-registered in **30 June, 2021** under registration number **41S3000560** and is currently categorized as a National public school established, owned or operated by the Government. The school is a boarding school and had **2,468** students as at 30 June 2021. It has **11** streams and **99** teachers of which **24** 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	Designation	Date of appointment
1	Dr. John Ong'ech	Chairman	5 October, 2018
2	Dr. Edwin Namachanja	Secretary – Principal	5 October, 2018
3	Mr. Simiyu Makokha	Member	5 October, 2018
4	Ms. Regina Opondo	Member	5 October, 2018
5	Dr. Ken Ogolla	Member	5 October, 2018
6	Rev. Paul Gwela	Member	5 October, 2018
7	Dr. Silpah Owich	Member	5 October, 2018
8	Mrs. Pamela Oluoch	Member	5 October, 2018
9	Mr. Enos Oyaya	Member – Rep CEB	5 October, 2018
10	Mr. Simon Lubisia	Member Rep Teachers	5 October, 2018
11	Dr. John Ong'ech Ogola Dr. Zablon Okola Mrs. Angeline Hongo	3 Members – Sponsors	5 October, 2018 5 October, 2018 5 October, 2018
12	Mrs. Anastacia Olang'o	Member – Community	5 October, 2018
13	Mr. Nicodemus Odongo	Member Special Needs	5 October, 2018
14	Overall School Captain	Rep Students	5 October, 2018

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The functions 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 affair 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

	Name of committee	Name of Members	Designation	Number of meetings attended during the year
1	Executive committee	Dr. John Ong'ech Mrs. Pamela Oluoch Dr. Edwin Namachanja Eng. Elisha Aduke Rev. Paul Gwela	Chairman Deputy Chairperson Secretary P.T.A. Chairman	4
	Audit committee	Mr. Nicodemus Odongo Dr. Edwin Namachanja Canon Angeline Hongo Mr. Robin Kiraithe Eng. Elisha Aduke Ms. Pamela Oluoch	Chairman Secretary	1
3	Finance, Procurement and General Purposes Committee	Dr. Silpah Owich Dr. Edwin Namachanja Ms. Janet Owiti Dr. Zablon Ogutu Mr. Lubisia Simon Dr. Ken Ogolla	Chairman Secretary	1

Maranda High School**Six Month Report and Financial Statement for Six Month ended 30 June 2021**

4	Academic Committee	Mr. Enos Oyaya Dr. Edwin Namachanja Rev. Paul Gwela Mr. Amos Makokha Ms. Regina Opondo Mrs. Anastacia Olango	Chairperson Secretary	2
	Development Committee	Dr. Ken ogolla Dr. Edwin Namachanja Dr. John Ong'ech Mrs. Pamela Oluoch Eng. Elisha Aduke Canon Angeline Hongo	Chairman Secretary	3
6	Discipline and Welfare Committee	Mr. Enos Oyaya Dr. Edwin Namachanja Rev. Paul Gwela Mr. Amos S. Makokha Ms. Regina Opondo Mrs. Anastacia Olango	Chairman Secretary	5
	Adhoc Committee (if any during the year)			None

(a) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Dr. Edwin Namachanja	372218
2	Deputy Principal	Mr. Steven Adongo	421602
3	School Bursar	Mr. Jacob Aete	

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(b) Schools contacts

Post Office Box: 120 – 40601 Bondo
Telephone: 0722 232 554
E-mail: marandahs@yahoo.com
Website: www.marandahighschool.sc.ke

(c) School Bankers

The following school operated 8 bank accounts in the following banks:

1. Name of Bank: Kenya Commercial Bank
Branch: Bondo
Account Number: 1176335286
2. Name of Bank: ABSA
Branch: Kisumu
Account Number: 1273586
3. Name of Bank: Kenya Commercial Bank
Branch: Bondo
Account Number: 1106453115
4. Name of Bank: Equity
Branch: Bondo
Account Number: 0750299814210
5. Name of Bank: Co-operative Bank of Kenya
Branch: Bondo
Account Number: 01129623364600
6. Name of Bank: Kenya Commercial Bank
Branch: Bondo
Account Number: 1113762241
7. Name of Bank: Kenya Commercial Bank
Branch: Bondo
Account Number: 1107062462
8. Name of Bank: Kenya Commercial Bank
Branch: Bondo
Account Number: 1107049954
9. Mpesa Pay Bill No: 866909 attached to Kenya Commercial Bank account No. 1176335286

Maranda High School

Six Month Report and Financial Statement for Six Month ended 30 June 2021

(d) Independent Auditors

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

Maranda High School

Six Month Report and Financial Statement for Six Month ended 30 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:**

During the six month ended 30 June 2021 the school reported a surplus of Kshs 13,073,282 and comparatively the school reported a deficit of Kshs 6,003,936 in the financial year. The school received capitation from the ministry of education of Kshs 24,082,168, during the period under review. The school reported a total income of Kshs 73,288,503 for the six month ended 30 June 2021 and total expenditure of Kshs. 60,215,221.

(a) Teacher Student Ratio:

- i) Teacher to student ratio: 1:25
- ii) No. of teachers recruited and posted within the year: 2
- iii) No. of teachers transferred within the year: 2
- iv) No. of teachers employed by T.S.C.: 75
- v) No. of teachers employed by B.O.M.: 24

(b) i.) Mean Score in the KCSE:

2018: 8.478
2019: 8.9091
2020: 9.7588

ii) No. of students transitioned to higher learning

2018: 628
2019: 704
2020: 453

(c) Number of Candidates in the KCSE:

Year	No. of Candidates
2018	628
2019	704
2020	453
2021	622

(d) Capacity of the school:

School population: 2429 students
No. of Laboratories: 8
No. of Dining Hall: 2 @ 1000 capacity
No. of Dormitories: 17
No. of Toilets: 112
No. of Classrooms: 40

Maranda High School

Six Month Report and Financial Statement for Six Month ended 30 June 2021

No. of Library: 1

No. of Staff Houses: 65

Other amenities: Water Borehole

2 Buses

2 Vans

(e) Development projects carried out by the school:

i) Construction of 2 Storey Dormitory

ii) Construction of New Play Fields

iii) LPG Cooking Gas

iv) CCTV Cameras

Sign: 

School Principal: Dr. Edwin Namachanja

CHIEF PRINCIPAL
MARANDA HIGH SCHOOL

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 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.

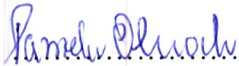
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of **Maranda 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 six month period ended 30 June, 2021, and of the school's financial position as at that date.

Name: Dr. John Ong'ech


Designation: Chairman, School Board of Management

Sign: 

Date: 20th July 2023

Name: Dr. Edwin Namachanja

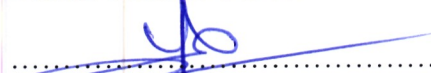
Designation: School Principal & Secretary to Board of Management

Sign:  **CHIEF PRINCIPAL**

Date: 20.7.2023 **MARANDA HIGH SCHOOL**

Name: Mr. Jacob Aete.

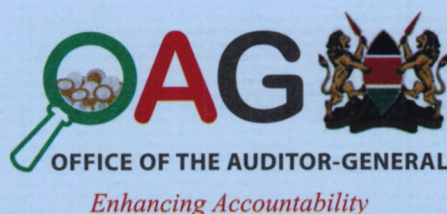
Designation: Bursar/ Finance Officer

Sign: 

Date: 20.7.2023

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 MARANDA HIGH SCHOOL FOR THE SIX MONTHS' PERIOD ENDED 30 JUNE, 2021 – SIAYA 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 overall 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

Adverse Opinion

I have audited the accompanying financial statements of Maranda High School – Siaya County set out on pages 1 to 16, which comprise 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 budgeted versus actual amounts for the period 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Maranda High School - Siaya 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 do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Variances Between Financial Statements and Supporting Schedules

The statements of receipts and payments and schedules presented for audit had the following variances;

Details	Amounts in Financial Statements (Kshs)	Amounts in the Supporting Schedules (Kshs.)	Variance (Kshs.)
School Fund Account - Parents Contributions	18,999,518	61,359,718	42,360,200
School Fund Account Other receipts	30,206,816	50,500	30,156,316
Payments for Operations	13,837,127	18,175,754	4,338,627
Boarding School Fund Payments	45,545,337	33,161,378	12,383,959
Payments for Tuition	832,757	5,257,376	4,424,617

In the circumstances, the accuracy and completeness of the above amounts in the statements of receipts and payments could not be confirmed.

2. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.95,209,007 as disclosed in Note 12 to the financial statements. The balance includes trade creditors of Kshs.85,663,415 while supporting schedules reflects Kshs.28,695,116 resulting in an unexplained and unreconciled variance of Kshs.56,968,299. In addition, the balance includes prepaid fees of Kshs.8,872,364 which was not supported by students fees statements while non-trade creditors of Kshs.673,228 were not supported by schedules. In addition, the trade creditors balance was not supported by documents including payment vouchers, invoices, delivery notes and receipts and issue vouchers.

In the circumstances, the accuracy and completeness and accounts payables balance of Kshs.95,209,007 could not be confirmed.

3. Inaccuracies in the Statement of Budgeted versus Actual Amounts

Review of the statement of budgeted versus actual amounts revealed the following variances:-

- i. The statement of budgeted versus actual amounts reflects final budget income of Kshs.40,716,378 while recasting revealed Kshs.55,341,785 resulting to an unexplained variance of Kshs.14,625,407
- ii. The statement of budgeted versus actual amounts reflects actual income on comparable basis of Kshs.48,827,192 while recasting revealed Kshs.63,078,710 resulting to an unexplained variance of Kshs.14,211,518;
- iii. The statement of budgeted versus actual amounts reflects income budget utilization difference Kshs.8,110,814 while recasting revealed Kshs.7,679,925 resulting to an unexplained variance of Kshs.430,889
- iv. The statement budgeted versus actual amounts reflects final expenditure budget of Kshs.40,706,378 while recasting revealed Kshs.56,930,318 resulting to unexplained variance of Kshs.16,223,940
- v. The statement budgeted versus actual amounts reflects actual expenditure on comparable basis of Kshs.42,560,658 while recasting revealed Kshs.48,852,156 resulting to an unexplained variance of Kshs.6,291,498
- vi. The statement budgeted versus actual amounts reflects expenditure budget utilization difference or over-absorption of Kshs.1,854,280 while recasting revealed Kshs.8,078,162 resulting to an unexplained variance of Kshs.6,223,882

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

4. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.27,562,619 as disclosed in Note 8 to the financial statements. The balance includes Kshs.9,448,394 in four (4) bank accounts which was not supported by bank reconciliation statements.

In the circumstances, accuracy and completeness of the bank balance of Kshs.9,448,394 could not be confirmed.

5. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.95,711,942 as disclosed in Note 11 to the financial statements. However, supporting schedules including ageing analysis, the fees arrears and other non-fees receivables registers were not provided for audit. In addition, there was no evidence of

strategies to recover fees arrears from previous year of Kshs.6,062,527 and fees arrears for the prior periods (over two (2) years) of Kshs.75,400,837. Further, the balance includes Kshs.1,506,000 for other non –fees receivables in respect to rent arrears outstanding for over seven (7) years without evidence of their recoverability.

In the circumstances, the accuracy, completeness and recoverability of accounts receivable balance of Kshs.95,711,942 could not be confirmed.

6. Unaccounted Capitation Grants

The statement of receipts and payments reflects capitation grants for operations of Kshs.21,020,024 as disclosed in Note 2 to the financial statements. In the year under review, the National Education Management Information System indicated students' enrolment of 2,406. This translated to Kshs.4,812,000 for medical and insurance at a rate of Kshs.2,000 per student, Kshs.3,609,000 for activity at a rate of Kshs.1,500 per student and Kshs.481,200 for SMASSE at a rate of Kshs.200 per student. However, these funds which totaled Kshs.8,902,200 were retained by the Ministry of Education and hence not accounted for as receipts or payment in the financial statements.

In addition, review of the National Education Management Information System (NEMIS) report and the School's manual enrolment register revealed inconsistencies in the number of students resulting to under-funding of Kshs.881,025 and which was not been disclosed as accounts receivable.

In the circumstances, the accuracy and completeness capitation grants for operations of Kshs.21,020,024 could not be confirmed.

7. Unsupported Personnel Emoluments

Note 6 and 7 to the financial statements reflects personnel emoluments amounts of Kshs.11,423,683 and Kshs.229,000 respectively. However, supporting documents including payrolls and approved staff establishment were not provided for audit. In addition, schedules supporting the personnel emoluments includes misclassified amount of Kshs.756,000 for security services.

In the circumstances, the accuracy, classification and completeness of personnel emoluments expenditure of Kshs.11,652,683 could not be confirmed.

8. Unsupported Subsistence Allowances

The statement of receipts and payments reflects boarding and school fund payments of Kshs.45,545,337 as disclosed in Note 7 to the financial statements. The amount includes Kshs.2,580,140 for local transport and travel out of which Kshs.622,000 relates to subsistence allowances paid to Board of Management which was not supported by signed Board minutes and attendance register.

In the circumstances, accuracy and completeness of subsistence allowances of Kshs.622,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Maranda High 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 adverse 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering financial year 2020-2021 with comparative balances for financial year 2019-2020. Therefore, the financial statements have not been prepared for eighteen (18) months as prescribed in the Public Sector Accounting Standards Board (PSASB).

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply with guidelines issued by Public Sector Accounting Standards Board (PSASB).

2. Unapproved Budget

The budget amounts presented in the statement of budgeted versus actual amounts were not supported by approved budget. This was contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations.(2) The Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his national government entity during the financial year and the estimates are submitted to the National Treasury in the manner and format to be issued by the Cabinet Secretary'.

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

3. Irregular Cash Payments

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects boarding and school fund payments of Kshs.45,545,337. The amount includes cash payments amounting to Kshs.839,789. This was contrary to the Public Procurement and Asset Disposal Regulations, 2020 which allows expenditure under low value procurement under Section 107 of the Public Procurement and Asset Disposal Act, 2015 to an amount of Kshs.50,000 per item per financial year.

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

4. Failure to Maintain Fixed Asset Register

Review of Annex 2 to the financial statements revealed that summary of fixed assets register was not presented as required by the Public Sector Accounting Standards Board template. Further, the School did not maintain fixed assets register indicating dates of assets acquisition, types of assets, supplier names, values, custodians and locations in respect of the assets it owns. This was contrary to Regulations 143 (1)(2) of the of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details'.

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

5. Failure to Maintain Imprests Register

Review, of payment vouchers revealed payments made through imprests but an imprests register was not maintained. This was contrary to Regulation 93(4c)and(5) of the Public Finance Management Act, 2015 which provides that before issuing temporary imprests under paragraph (2) the Accounting Officer shall ensure that the applicant has been

recorded in the imprest register including the amount applied for. The holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station’.

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

6. Irregular Overdrawing of Bank Account

Review of Note 8 to the financial statements revealed that one bank account had negative balances of Kshs.25,651, an indication that the cash book was overdrawn. This was contrary to Regulations 82(7) of the Public Finance Management (National Government) Regulations, 2015 which states that ‘no official government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit, authorized by the National Treasury in line with Section 28(4) of the Public Finance Management Act, 2012’.

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

7. Failure to Transfer Infrastructure Funds

The statement of receipts and payments reflects capitation grants for operations of Kshs.21,020,024 which included maintenance and improvement funds amount of Kshs.9,118,784. However, only Kshs.3,000,000 was transferred to the school infrastructure account resulting to an unexplained difference of Kshs.6,118,784. This was contrary to Ministry of Education Circular dated 16 June, 2021 which states that ‘under the operations accounts schools may seek authority from the County Education Boards (CEBs) to vire savings or surplus funds from one item to another where it is absolutely necessary but ‘no virement from the tuition account will be allowed’.

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

8. Ineffective Distribution and Management of Text books

During the year under review, the Ministry of Education retained Kshs.2,691,785 for supply of text books. However, School records indicated that a total of 5,973 literature set books were supplied to the School for form three (3) and form four (4) students against a total of 6,166, indicated to have been delivered resulting to a shortfall of 193 books. In addition, details of the delivered books values were not provided for audit.

In the circumstances, value for money on distribution of school text books could not be confirmed.

9. Irregular Payment of Sitting Allowances

Review of Board of Management records revealed that the chairman and members were paid Kshs.10,000 and Kshs.8,000 respectively per sitting above the approved rates of Kshs.5,000 and Kshs.4,000 respectively. This was contrary to the Salaries and Remuneration Commission Circular of 16 April, 2014 on the payment of taskforce

allowance and remuneration of commission of inquiry, tribunal, boards and committees appointed by Government.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy and IT Policy

Review of the documents provided for audit revealed that the School Management had not established a Risk Management Policy to guide on the development of risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations'. In addition, the School did not approved Information Technology Policy for governance and management of its ICT resources.

In the circumstances, the effectiveness of risk management could not be confirmed.

2. Lack of Insurance Cover for Assets

Review of the financial statements and assets records revealed that the School Management did not have insurance cover for its property, plant and equipment.

In the circumstances, the School is exposed to losses without compensation in case of fire, theft or any other unforeseen calamities.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 and as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

Maranda High School

Six Month Report and Financial Statement for Six Month ended 30 June 2021

IV. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	3,062,145	4,525,150
Capitation grants for operations	2	21,020,024	39,859,689
School Fund Income- Parents' Contributions	3	18,999,518	23,420,123
School Fund Income- Other receipts	4	30,206,816	37,220,683
TOTAL RECEIPTS		73,288,503	105,025,644
PAYMENTS			
Payments for Tuition	5	832,757	501,100
Payments for operations	6	13,837,127	42,449,311
Boarding and school fund payments	7	45,545,337	68,079,169
TOTAL PAYMENTS		60,215,221	111,029,580
SURPLUS		13,073,282	(6,003,936)

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

Sign 

Name: Dr. John Ong'ech
Chair BOM


Date 20th July 2023

Sign 

Name: Dr. Edwin Namachanja
School Principal/
Secretary to BOM

Date 20.7.2023

**CHIEF PRINCIPAL
MARANDA HIGH SCHOOL**

Sign 

Name: Mr. Jacob Aete
Bursar/
Finance Officer

Date 20.7.2023

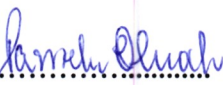
Maranda High School

Six Month Report and Financial Statement for Six Month ended 30 June 2021

V. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	27,516,882	14,485,271
Cash Balances	9	45,737	4,067
Total Cash and cash equivalent		27,562,619	14,489,338
Account's receivables	11	95,711,942	86,972,656
TOTAL FINANCIAL ASSETS		123,274,561	101,461,993
FINANCIAL LIABILITIES			
Accounts Payables	12	95,209,007	75,400,837
NET FINANCIAL ASSETS		28,065,554	26,061,157
REPRESENTED BY			
Accumulated Fund b/fwd	13	14,992,272	32,065,092
Surplus/Deficit for the year		13,073,282	(6,003,936)
NET FINANCIAL POSSITION		28,065,554	26,061,157

The School's financial statements were approved on _____ 2021 and signed by:

Sign. 

Name: Dr. John Ong'ech
Chair BOM

Date 20th July 2023

Sign. 

Name: Dr. Edwin Namachanja
School Principal/
Secretary to BOM

Date 20.7.2023

**CHIEF PRINCIPAL
MARANDA HIGH SCHOOL**

Sign. 

Name: Mr. Jacob Aete
Bursar/
Finance Officer

Date 20.7.2023

Maranda High School**Six Month Report and Financial Statement for Six Month ended 30 June 2021****VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021**

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	3,062,145	4,525,150
Capitation grants for operations	2	21,020,024	39,859,689
School fund income- Parents contributions/ fees	3	18,999,518	23,420,123
School fund income- other receipts	4	30,206,816	37,220,683
Total receipts		73,288,503	105,025,644
Payments			
Payments for Tuition	5	832,757	501,100
Payments for operations	6	13,837,127	42,449,311
Boarding and school fund payments	7	45,545,337	68,079,169
Total payments		60,215,221	111,029,580
Cash flow from operating activities before working capital adjustments		13,073,282	(6,003,936)
Add/less decrease/increase in receivables		-	
Add/less decrease/increase in payable		-	
Net cash flow from operating activities		13,073,282	(6,003,936)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,073,282	(6,003,936)
Cash and cash equivalent at BEGINNING of the year		14,489,338	20,493,273
Cash and cash equivalent at END of the year		27,562,619	14,489,338

Maranda High School
Reports and Financial Statements
For six month ended 30 June 2021

VII. STATEMENT OF BUDGETTED VERSUS ACTUAL AMOUNTS FOR SIX MONTH ENDED 30 JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	Kshs	Kshs			Kshs	Kshs
(1) CAPITATION GRANT ON TUITION						
Teaching / learning materials	3,476,034	-	3,476,034	3,062,145	413,890	88%
Total	3,476,034	-	3,476,034	3,062,145	413,890	88%
(2) CAPITATION GRANT ON OPERATIONS						
Others voteheads	8,523,333		8,523,333	8,523,333	-	100
Improvement and maintenance	2,626,040		2,626,040	2,626,040	-	100
Total	11,149,373		11,149,373	11,149,373	-	100
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	7,351,950	-	7,351,950	5,157,855	2,194,095	70%
EWC	2,218,000	-	2,218,000	5,557,689	(3,339,689)	251%
Local travel and transport	1,631,850	-	1,631,850	1,276,253	355,597	78%
Improvement and maintenance	1,380,000	-	1,380,000	2,096,046	(716,046)	152%
Administration cost	2,459,850	-	2,459,850	2,706,922	(247,072)	110%
Medical	1,379,310	-	1,379,310	930,373	448,937	67%
Parents Association	3,391,246	-	3,391,246	-	3,391,246	0%
Activity	1,897,500	-	1,897,500	895,238	1,002,262	47%
Fee on Boarding Equipment and	19,006,672	-	19,006,672	30,206,816	(11,200,144)	159%
TOTAL INCOME	40,716,378		40,716,378	48,827,192	-8,110,814	

**Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021**

(1) EXPENDITURE FOR								
TUITION								
Teaching / learning materials	3,200,040	-	3,200,040	832,757	2,367,283			26%
Total	3,200,040	-	3,200,040	832,757	2,367,283			26%
OPERATIONS								
Others vote heads	8,532,900	-	8,532,900	5,458,741	3,074,159			64%
Improvement and maintenance	4,491,000	-	4,491,000	-	4,491,000			0%
SMASSE	-	-	-	5,458,741	(5,458,741)			0%
(3) EXPENDITURE FOR								
SCHOOL FUND								
BES	19,006,672	-	19,006,672	15,795,465	3,211,207			83%
Local travel and transport	1,631,850	-	1,631,850	2,580,140	(948,290)			158%
EWC	2,218,000	-	2,218,000	4,745,577	(2,527,577)			214%
Personnel emoluments	7,351,950	-	7,351,950	229,000	7,122,950			3%
Administration cost	2,459,850	-	2,459,850	2,776,085	(316,235)			113%
Parents Association	3,381,246	-	3,381,246	16,248,931	(12,867,685)			481%
Improvement and maintenance	1,380,000	-	1,380,000	-	1,380,000			0%
Medical Expenses	1,379,310	-	1,379,310	80,160	1,299,150			6%
Activity	1,897,500	-	1,897,500	105,300	1,792,200			6%
TOTALS	40,706,378	-	40,706,378	42,560,658	-1,854,280			

i. There had budget underutilization because the school had resumed operations after covid 19 break where all operations had not resumed.

VIII. 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.

Maranda High School

Six Month Report and Financial Statement for Six Month ended 30 June 2021

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 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 30 June 2021.

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

IX. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Teaching / learning materials	3,062,145	4,525,150
Total	3,062,145	4,525,150

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personal Emoluments	5,716,388	11,007,350
MIF funds	9,118,784	23,539,439
Local Transport and travelling	2,128,284	1,228,600
Electricity and water	2,128,284	1,404,800
Medical	-	483,300
Administrative cost	1,928,284	1,228,600
Activity	-	967,600
Total	21,020,024	39,859,689

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personal Emoluments	5,157,855	7,461,518
Repairs and maintenance	2,096,046	-
Local Transport and travelling	1,276,253	2,155,499
Electricity and water	5,557,689	8,010,783
Insurance (Medical/Property)	930,373	1,131,938
Medical funds	379,142	693,263
Administrative cost	2,706,922	3,149,650
Activity	895,238	817,472
Total	18,999,518	23,420,123

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	30,206,816	37,138,683
Tender forms	-	82,000
Equity account	-	-
Total	30,206,816	37,220,683

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Laboratory Equipment	-	-
Teaching / learning materials	562,850	501,100
Library/Reference books	176,000	
Bank charges	-	-
Administration Costs	93,907	-
Sundry creditors	-	-
Total	832,757	501,100

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personal Emoluments	11,423,683	16,488,794
MIF Project	-	21,240,873
Local Transport and travelling	-	1,600,000
Electricity and water	1,703,493	1,430,101
Insurance (Med. & Property)	-	106,373
Adminstrative cost	414,451	1,579,065
Activity	295,500	-
Bank charges	-	4,105
TOTAL	13,837,127	42,449,311

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	229,000	8,236,867
Activity	105,300	2,375,060
Repairs and Maintenance	-	-
Electricity and water	4,745,577	6,082,100
Local transport and travel	2,580,140	2,994,991
Student ID	-	-
School farm	-	-
Fees prepayment(refund)	148,170	-
Bakery Expenes	-	-
Adminstation cost	2,776,085	12,461,537
Expenses on income generating activities	-	-
Fee on Boarding Equipment and Stores	15,795,465	35,758,884
Students awards	2,804,509	-
Rent Expenses	-	-
Sundry creditors	-	-
Insurance (Medical/Property)	80,160	-
Medical funds	-	111,730
Tender application	32,000	58,000
MIF/Repairs, maint. & improv.	16,248,931	-
TOTAL	45,545,337	68,079,169

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account - KCB	A/C: 1107049954	203,748	540,876
Operations Account - KCB	A/C: 1107062462	2,102,773	416,601
School Fund Account - ABSA	A/C: 1273586	1,103,384	706,893
School Fund Acct - EQUITY	A/C: 0750299814210	- 25,561	1,548,257
School Fund Acct - KCB	A/C: 1176335286	7,539,664	1,567,255
School Fund Acct - KCB	A/C: 807	16,174	16,174
School Fund Acct - KCB	A/C: 843	121,132	121,132
School Fund Acct - Coop	AC: 01129623364600	1,223,503	1,373,044
Infrastructural Account - KCB	A/C: 1113762241	13,714,631	7,700,365
Savings Account	A/C: 1106453115	710,878	494,674
M-pesa paybill	A/C No. 866909	806,554	-
Total		27,516,882	14,485,271

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Farm	-	-
School Fund account	45,737	4,067
Total	45,737	4,067

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative bank 1		
Cooperative bank 2		
Cooperative bank 3		

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021
NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	94,173,442	85,341,356
Other non-fees receivables	1,506,000	1,631,300
Salary advances	32,500	-
Imprest	-	-
Total	95,711,942	86,972,656
Ageing analysis		
Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	12,710,078	11,571,819
Fees arrears for the previous year	6,062,527	7,983,876
Fees arrears for prior periods (over two years)	75,400,837	65,785,661
Total	94,173,442	85,341,356

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors	85,663,415	75,400,837
Prepaid fees	8,872,364	-
Non-trade creditors	673,228	-
Retention monies	-	-
Total	95,209,007	75,400,837
Ageing analysis		
Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	28,810,116	31,678,381
Trade creditors for the previous year	21,678,381	43,722,456
Trade creditors for prior periods (over two years)	35,174,918	-
Total	85,663,415	75,400,837

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	14,485,271	20,393,178
Cash balances	4,067	100,095
Short Term Investments	-	-
Receivables	95,711,942	86,972,656
Payables	95,209,007	75,400,837
Total	14,992,272	32,065,092

Maranda High School**Six Month Report and Financial Statement for Six Month ended 30 June 2021****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	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	-	65,000	-
Goats	-	45,500	-
Trees	-	-	-
Mature Pigs	-	2,775,000	-
Young Pigs	-	27,000	-
Total		2,912,500	-

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year		

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
Stock/ inventory at beginning of the year	4,948,058	
Stock/ inventory purchased during the year	18,907,951	
Stock/ inventory issued during the year	18,554,247	
Balance at end of the year	5,301,762	

Maranda High School
Six Month Report and Financial Statement for Six Month ended 30 June 2021
18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

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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 20XX d=a-c Kshs	Outstanding Balance 20XX-1 Kshs	Comments
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 June 20xx
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total						

