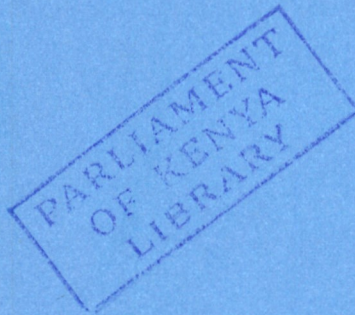


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAYED

DATE: 07 DEC 2023 (TFR)

TABLED BY: Hon Owen Banya, CBS, MP
Deputy majority leader
MISAMU

CLERK AT THE TABLE

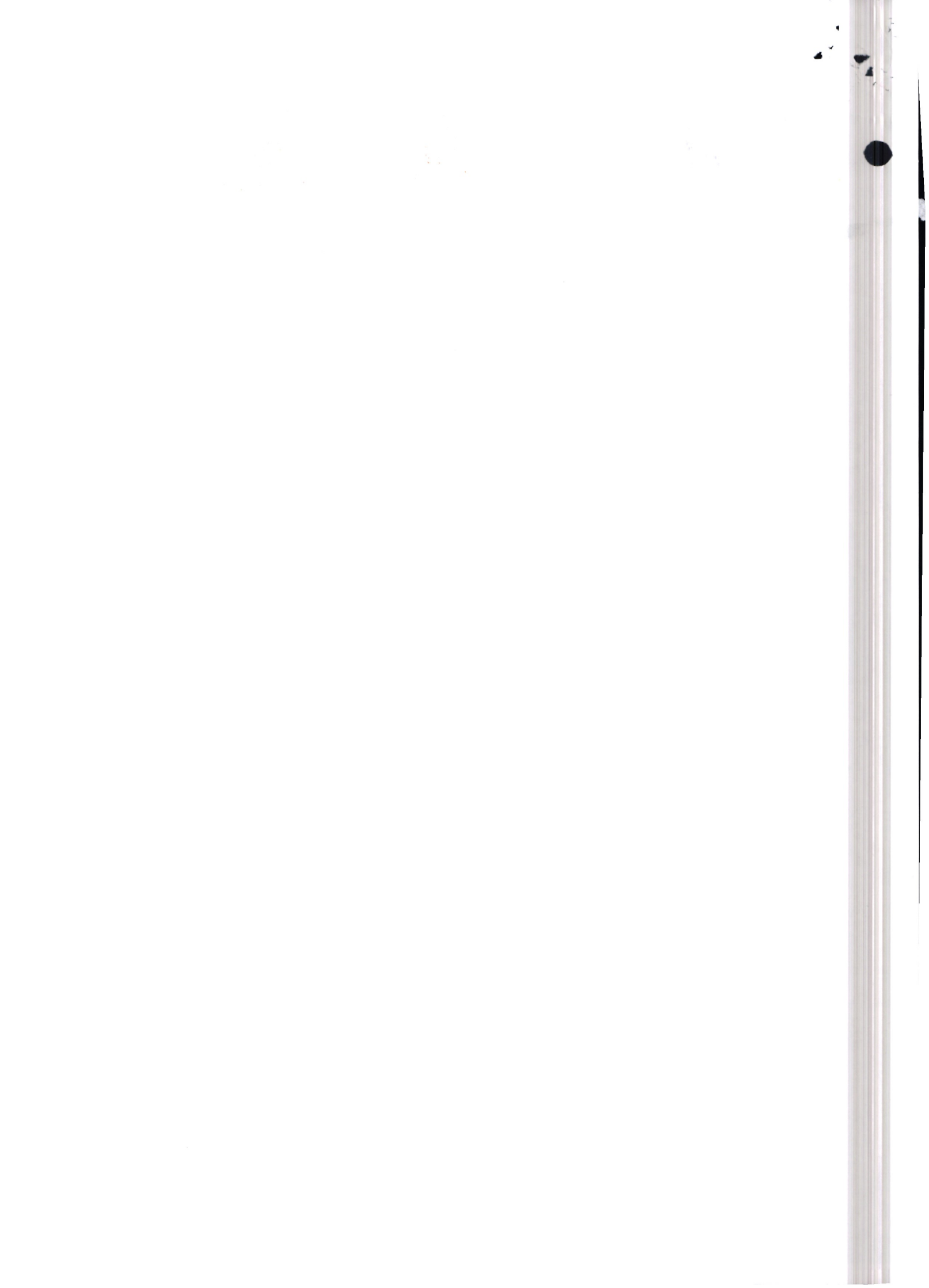
THE AUDITOR-GENERAL

ON

FUNJU SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

TAITA/TAVETA COUNTY



Revised 30th June 2022.

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

11 SEP 2023

RECEIVED



FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2022

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

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FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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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 TAITA TAVETA County, TAITA Sub-County

The school was registered in **10/2014** under registration number 06/S/0030/0089 and is currently categorized as a SUB COUNTY public school established, owned or operated by the Government.

The school is a day/boarding school and had 149 number of students as at **30th June 2022**. It has ONE streams and 9 teachers of which 2 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 | GEORGE M. MWANDEMBO | Chairman | 18 th June 2019 |
| 2 | DANIEL M. MWANGI | Secretary - Principal | 18 th June 2019 |
| 3 | REV. RONALD NJUMWA OTHINIEL | Member | 18 th June 2019 |
| 4 | FREDRICK M. MWALUMA | Member | 18 th June 2019 |
| 5 | YUSTER WALI MWANDAWA | Member | 18 th June 2019 |
| 6 | HANDERSON M. MWAMBURI | Member | 18 th June 2019 |
| 7 | ELISILINAH KATINI MBELE | Member | 18 th June 2019 |
| 8 | PETER KIRIGHA MWAMBURI | Member – Rep CEB | 18 th June 2019 |
| 9 | DOMINIC RUTOH | Member Rep Teachers | 18 th June 2019 |
| | 1. PURITY JOY BERUBE 2. VIULANCE WAKIO MBELE | | 18 th June 2019 |
| 10 | 3. ROSELIDA P. MCHALONGO | 3 Members - Sponsor | |
| 11 | EDLAIDE WALEGWA KALINDE | Member - Community | 18 th June 2019 |
| 12 | BONFAS MWAKAZI MWENDO | Member Special Needs | 18 th June 2019 |
| 13 | MOSES MWASOKO | Rep Students | 4 TH June 2022 |

KEY SCHOOL INFORMATION AND MANAGEMENT

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 | G. MWANDEMBO DANIEL MWANG PURITY BEROBE PETER KIRIGHA | CHAIRMAN SECRETARY MEMBER MEMBER | 2 out of 2 2 out of 2 2 out of 2 2 out of 2 |
| 2 | Audit Committee | | | N/A |
| 3 | Finance, procurement and general purposes Committee | P. K. MWAMBURI PETER NYAMBU J. MWANDIGHA C. MSHILA | CHAIRMAN MEMBER MEMBER MEMBER | 1 out of 1 1 out of 1 1 out of 1 1 out of 1 |
| 4 | Academic Committee | PETER KIRGHA. D. ROTOH. H. MWAMBURI. R.MCHALONGO. BRIDGEWAMBUA. | CHAIRMAN MEMBER MEMBER MEMBER MEMBER | 1 out of 1 1 out of 1 1 out of 1 1 out of 1 |
| 5 | Development Committee | F. MGHENDI. D. MWANGI. G.MWANDEMBO | CHAIRMAN SECRETARY MEMBER | 0 out of 1 1 out of 1 1 out of 1 |
| 6 | Discipline and welfare Committee | REV. NJUMWA O, DAVIS NGALA. B. MWENDO. B. KAGONYA | CHAIRMAN SECRETARY MEMBER MEMBER | 1 out of 1 1 out of 1 1 out of 1 1 out of 1 |
| 7 | Adhoc Committee (if any during the year) | N/A | | |

(d) School operation Management

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

| Ref: | Designation | Name | TSC Number/ID NO |
|-------------|--------------------|-------------------|-------------------------|
| 1 | Principal | Mr. Daniel Mwangi | 324467 |
| 2 | Deputy Principal | Mr. Davis Ngala | 390382 |
| 3 | School Bursar | Peter Nyambu | 20497878 |
| | | | |

KEY SCHOOL INFORMATION AND MANAGEMENT

(e) Schools contacts

Post Office Box: 1154-80304 WUNDANYI
Telephone: 0114622009
E-mail: funjusec011@gmail.com
Website: N/A
Facebook:
Twitter:

(f) School Bankers

The following school operated 6 number of bank accounts in the following banks:

1. Name of Bank: KCB
Branch: WUNDANYI
Account Number: 1124325271
2. Name of Bank: KCB
Branch: WUNDANYI
Account Number: 1103793179
3. Name of Bank: KCB
Branch: WUNDANYI
Account Number: 1121568963
4. Name of Bank: KCB
Branch: WUNDANYI
Account Number: 1286191009
5. Name of Bank: KCB
Branch: WUNDANYI
Account Number: 1286111536
6. Name of Bank: KCB
Branch: WUNDANYI
Account Number: 1128975114
7. M-PESA Pay Bill No. 522123 attached to 1124325271 bank account

(g). Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

| S/no | YEAR | 2021-2022 | 2020-2021 | 2019-2020 |
|-------------|---|------------------|------------------|------------------|
| | <i>Surplus/Deficit</i> | 1,388,410.90 | 479,469.00 | (196,128.00) |
| ii | <i>Capitation Grants (MOEST)</i> | 3,710,882.90 | 1,603,677.00.00 | 1,598,951.00 |
| iii | <i>Ratio of Capitation</i> | 1:30924 | 1:11294 | 1:9691 |
| iv | <i>Overview growth of other Incomes</i> | N/A | N/A | N/A |
| V | <i>Overview growth of expenditure</i> | 6,039,194 | 2,297,093.00 | 3,231,402.00 |
| vi | <i>Movement of –Debtors</i> | 3,129,977.00 | 2,753,396.00 | 2,040262.00 |
| | <i>- Creditors</i> | 836,537.00 | 1,348,478.00 | 1,561,357.00 |
| vii | <i>Movement of Cash</i> | 0 | 906.00 | 3,0000.00 |
| | <i>Bank</i> | 187,083.71.00 | 208,567.81 | 80,040.00 |
| | Totals | 187,083.71 | 209473.81 | 80,040.00 |

a) Teacher Student ratio

| S/no | YEAR | 2021-2022 | 2020-2021 | 2019-2020 |
|-------------|-------------------------------------|------------------|------------------|------------------|
| i | <i>Student Enrolment</i> | 120 | 142 | 165 |
| Ii | <i>Number of Teachers</i> | 7 | 6 | 6 |
| iii | <i>Teacher Student ratio</i> | 17.143 | 23.667 | 27.5 |
| iv | <i>Teachers posted</i> | 3 | 0 | 2 |
| v | <i>Teachers transferred/Retired</i> | 2 | 0 | 0 |
| vi | <i>BOM Teachers</i> | 2 | 3 | 3 |
| vii | <i>Teacher Shortages</i> | 2 | 3 | 3 |

b). Mean Score

| S/no | YEAR | 2021-2022 | 2021-2020 | 2019-2020 |
|-------------|-------------------------------------|------------------|------------------|------------------|
| I | <i>Mean Score</i> | 2.530 | 2.686 | 3.500 |
| Ii | <i>Transition to University</i> | 0 | 0 | 1 |
| Iii | <i>Transition to other Colleges</i> | 33 | 33 | 12 |

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended **30th June 2022**

c). Number of Candidates K.C.S.E

| | YEAR | 2021-2022 | 2021-2020 | 2019-2020 |
|---|----------------------|-----------|-----------|-----------|
| I | Number of Candidates | 36 | 35 | 12 |

d). Capacity of the School

| | | | 2021-2022 | 2020-2021 | 2019-2020 |
|-----|------------|-----|-----------|-----------|-----------|
| | | No. | Students | Students | Students |
| I | Lab | 1 | 120 | 142 | 165 |
| ii | Classrooms | 4 | 120 | 142 | 165 |
| iii | Toilets | 8 | 120 | 142 | 165 |

e). Development Projects

| S/no | Project | Completed | Ongoing | Source of Funds |
|------|---------------|-----------|---------|-----------------|
| I | CBC classroom | No | Yes | M.O.E.ST |
| ii | Dining hall | No | Yes | CDF |

MWANGI DANIEL

Sign

School Principal



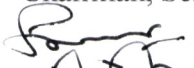
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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


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


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

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

Name: GEORGE MWANDEMBO
Designation: Chairman, School Board of Management
Sign: 
Date: 16/8/22

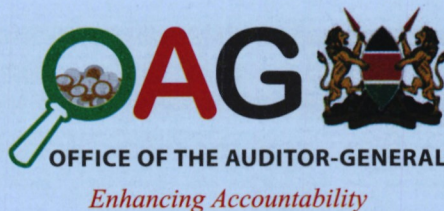
Name: DANIEL M. MWANGI
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 10/8/2022

Name: PETER NYAMBU
Designation: Bursar/ Finance Officer
Sign: 
Date: 10/8/22

ACCOUNTS CLERK
FUNJU SECONDARY SCHOOL
P. O. Box 54-80313, MCHAMBONYI
Date: 10/8/22 **Sign:** 

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 FUNJU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - TAITA/TAVETA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Funju Secondary School - Taita/Taveta County set out on pages 10 to 26, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement

of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Funju Secondary School - Taita/Taveta County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of financial statements submitted for audit revealed variances as detailed below:

| Item | Statement of Receipts and Payments (Kshs.) | Statement of Cash Flows (Kshs.) | Variance (Kshs.) |
|---|---|--|-------------------------|
| Receipts | | | |
| Capitation Grants for Tuition | 618,610 | 666,179 | 47,569 |
| Capitation Grants for Operations | 3,092,273 | 3,634,883 | 542,610 |
| School Fund Income-Parent's Contributions | 3,692,502 | 3,849,301 | 156,799 |
| School Fund Income-Other Receipts | 24,220 | 0 | 24,220 |
| Payments | | | |
| Payments for Tuition | 326,903 | 616,418 | 289,515 |
| Payment for Operations | 1,125,205 | 3,681,112 | 2,555,907 |
| Boarding and School Fund Payments | 844,985 | 3,875,223 | 3,030,238 |

Further, the statement of financial assets and financial liabilities reflects a fund balance brought forward of Kshs.1,092,113. However, this balance includes receivables brought forward balance of Kshs.2,231,117 which differs with receivables brought forward for 2021/2022 balance of Kshs.2,753,396 resulting to an unexplained variance of Kshs.522,279.

In the circumstances, the accuracy and completeness of the amounts and balances reflected in the financial statements could not be confirmed.

2. Unsupported Accounts Payables Balance

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.836,537 as disclosed in Note 12 to the financial statements. The balance constitutes Kshs.748,243 and Kshs.88,294 in respect to trade creditors and prepayments respectively whose supporting documents were not provided for audit.

In the circumstances, the accuracy and completeness of the amounts and balances presented in the financial statements could not be confirmed.

3. Undisclosed Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.187,083 as disclosed in Note 8 to the financial statements. The balance drawn from three (3) bank accounts of tuition, operations and school fund accounts maintained by the school. However, review of records revealed that the school had balances of Kshs.603,918, Kshs.13,374 and Kshs.3,767 in respect to infrastructure, gratuity and savings bank accounts which were not disclosed in the financial statements. Further, Management did not maintain cash books for gratuity and savings account.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.187,083 could not be confirmed.

4. Unsupported Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,129,977 as disclosed in Note 11 to the financial statements. However, supporting documents for the amount were not provided for audit. Further, the balance relates to fees arrears which had not been recovered by the School. Management has not explained efforts it has constituted to recover the arrears.

In the circumstances, the accuracy and recoverability of the accounts receivables balance of Kshs.3,129,977 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Funju Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Template

The financial statements submitted for audit did not comply with the Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools dated 20 August, 2021 on various aspects.

Further, the summary report of performance reflects cash balance of Kshs.18,708,371 for 2021/2022 while in the statement for financial assets and financial liabilities reflects a corresponding balance of Kshs.187,083 resulting to an overstatement of Kshs.18,521,288;

In the circumstances, the annual report and the financial statements do not comply with the Public Sector Accounting Standards Board reporting template.

2. Non-Compliance with Law on Procurement

The statement of receipts and payments reflects total payments amounting to Kshs.2,297,093. However, the School did not prepare a procurement plan for the financial year under review. This is contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 that requires an Accounting Officer to prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process. Further, examination of payment vouchers and supporting documentation amounting to Kshs.6,039,194 revealed the following procurement anomalies:

- i. The school did not maintain a list of pre-qualified suppliers as required under Section 57(1) of the Public Procurement and Asset Disposal Act, 2015;
- ii. In some instances, quotations were not sent to different suppliers making it difficult to determine if the goods and services were competitively procured contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015;
- iii. The payment vouchers were not supported with professional opinions and evaluation minutes and therefore it was not possible to confirm that the goods and services were competitively procured as required under Section 84 and Section 80 of the Public Procurement and Asset Disposal Act, 2015;
- iv. There is no evidence that the goods were inspected after delivery to confirm whether the requested goods and services are as per the user requisition requirements. This is contrary to Section 48(1) and (3) of the Public Procurement and Asset Disposal Act, 2015; and
- v. Goods received and issued were not supported with counter requisition and issue voucher to confirm the user department. This is contrary to provisions of Regulation 166 of the Public Procurement and Asset Disposal Regulations, 2020.

In the circumstances, Management was in breach of the law and the propriety of the expenditure incurred of Kshs. 6,039,194 could not be confirmed.

3. Lack of Approved Budget

The School did not provide for audit an approved budget for the year ended 30 June, 2021. This is contrary to Section 59 (n) of the Basic Education Act, 2013 which requires the Board of Management to administer and manage the resources of the institution.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Develop School Improvement Plan and Poor Infrastructure

Section 2.2.1 of the Operational Manual for Utilization of Learner Capitation, Grant and Other School funds requires a school to develop improvement plan which is a road map for changes that a school needs to improve the school environment and learning outcomes. However, during the year under review, the school did not develop a School Improvement Plan to be used to measure school improvement activities and hold schools accountable, keep the school in focus in achieving the school target, prioritization of school needs, ensuring prudent utilization of resources and to improve accountability. Further, site visit conducted at the School revealed that the school lacks clearly demarcated school grounds, proper fencing, secure gates, and the school does not have a standard playground.

In the circumstances, Management is in breach of the requirements of the Operation Manual for Utilization of Learner Capitation Grant and Other School Funds.

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The Ministry of Education through Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 directed that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account. The school received capitation grants for operations amounting to Kshs.2,560,050 which included Kshs.954,000 for infrastructure improvement. However, review of documents revealed that the school

transferred Kshs.988,000 resulting to an unexplained variance of Kshs.34,000. No plausible explanation was provided for this occurrence.

In the circumstances, Management was in breach of the Ministry of Education directives.

3. Incomplete Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets register of the School. However, the summary is not comprehensive and updated and does not reflect the date and year of purchase, historical cost and additions during the year as required. Further the summary indicates that the School owns land in Wumingu. However, ownership documents in respect to the land was not provided for audit.

In the circumstances, the effectiveness of internal controls over management of assets could not be confirmed.

4. Weaknesses in Oversight Function of the School

Review of records maintained by the school revealed that the Board did not submit any report to the Director of Basic Education on governance as required under Section 60 of the Basic Education Act, 2013. Further, the Board of Management of the School had established Finance, Procurement and General-Purpose Committee, Academic Committee, Development Committee and Discipline Welfare Committee. However, work plans and evidence of Committee's activities, minutes of regular meetings during the year under review was not provided for audit.

In addition, the Board did not develop a calendar outlining its activities for the year and the minutes of the Board were not confirmed by the Chair during the subsequent meeting.

In the circumstances, the effectiveness of the oversight function of the Board of Management could not be confirmed.

5. Inefficient Management of School Textbooks

Review of textbook records revealed that the School has seven hundred and forty-six (746) excess books that were in the stores unused. However, the KLB Books were not adequate and students had to share one book per subject.

In the circumstances, Management of textbooks does not meet the criteria of one book one student.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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

13 October, 2023



IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF FUNJU SECONDARY SCHOOL OF THE YEAR ENDING 30TH JUNE 2022

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

I. STATEMENT OF RECEIPTS AND PAYMENTS

| DESCRIPTION OF VOTE HEAD | Note | 2021 - 2022 | 2019 - 2020 |
|--|----------|---------------------|------------------|
| | | | Ksh |
| RECEIPTS | | | |
| Capitation grants for tuition | 1 | 618,610.20 | 166,540 |
| Capitation grants for operations | 2 | 3,092,272.70 | 1,437,137 |
| School Fund Income- Parents' Contributions | 3 | 3,692,502.00 | 1,160,825 |
| School Fund Income- Other receipts | 4 | 24,220.00 | 12,060 |
| Proceeds from borrowings | | | |
| TOTAL RECEIPTS | | 7,427,604.90 | 2,776,562 |
| PAYMENTS | | | |
| Payments for Tuition | 5 | 361,288.00 | 326,903 |
| Payments for operations | 6 | 3,083,536.00 | 1,125,205 |
| Boarding and school fund payments | 7 | 2,594,370.00 | 844,985 |
| TOTAL PAYMENTS | | 6,039,194.00 | 2,297,093 |
| SURPLUS/DEFICIT | | 1,388,410.90 | 479,469 |

APPROVED BY,
DANIEL MWANGI
PRINCIPAL/ B.O.M SECRETARY
SIGN
DATE



VI STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

| | Note | 2021 - 2022 Kshs | 2020 - 2021 Kshs |
|--|------|---------------------|---------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 8 | 187,083.71 | 208,567.81 |
| Cash Balances | 9 | - | 906.00 |
| Short term Investment | 10 | - | - |
| Total Cash and Cash Equivalents | | 187,083.71 | 209,473.81 |
| Accounts receivables | 11 | 3,129,977.00 | 2,753,396.00 |
| TOTAL FINANCIAL ASSETS | | 3,317,060.71 | 2,962,869.81 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | 12 | 836,537.00 | 1,348,478.00 |
| NET FINANCIAL ASSETS | | 2,480,523.71 | 1,614,391.81 |
| REPRESENTED BY | | | |
| Fund balance b/fwd. 1st July... | 13 | 1,092,112.81 | 1,134,923.01 |
| Surplus/Deficit for the year | | 1,388,410.90 | 479,468.80 |
| NET FINANCIAL POSITION | | 2,480,523.71 | 1,614,391.81 |

APPROVED BY
DANIEL MWANGI
PRINCIPAL/ B.O.M SECRETARY
SIGN



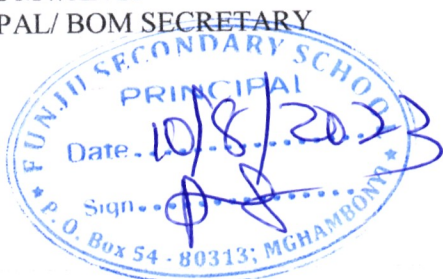


FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2022

VII STATEMENT OF CASH FLOW

| | 2021 - 2022 | 2020 - 2021 |
|--|--------------------|-------------------|
| | Ksh | Ksh |
| Receipts from operating activities | | |
| Capitation grants for tuition | 1 666,179.00 | 284,266.00 |
| Capitation grants for operations | 2 3,634,882.60 | 2,412,068.80 |
| School fund income- Parents contributions/ fees | 3 3,849,301.00 | 2,347,091.00 |
| School fund income- other receipts | 4 - | - |
| Total receipts | 8150362.00 | 5043425.80 |
| Payments | | |
| Payments for Tuition | 616,418.00 | 268,202.00 |
| Payments for operations | 3,681,112.00 | 2,314,273.00 |
| Boarding and school fund payments | 3,875,222.70 | 2,331,517.00 |
| | 8172752.70 | 4913992.00 |
| Net cash flow from operating activities | (22,390.10) | 129,433.80 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings/ loans | | |
| Repayment of principal borrowings | | |
| Net cash flows from Investing Activities | | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | (22,390.10) | 129,433.80 |
| Cash and cash equivalent at BEGINNING of the year | 209,473.81 | 80,040.01 |
| Cash and cash equivalent at END of the year | 187,083.71 | 209,473.81 |

APPROVED BY
DANIEL MWANGI
PRINCIPAL/ BOM SECRETARY
SIGN



FUNJU SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
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VIII STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % Utilisation |
|---|-----------------|-------------|--------------|----------------------------|-------------------------------|---------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| (1) CAPITATION GRANT ON TUITION | | | | | | |
| Text books | | | | - | - | |
| Exercise books | | | | - | - | |
| Laboratory equipment and apparatus | | | | - | - | |
| Teaching/learning materials | | | | 618,610 | (618,610) | |
| chalks | | | | - | - | |
| Internal exams | | | | - | - | |
| Reference books | | | | - | - | |
| (2) CAPITATION GRANT ON OPERATIONS | | | | | | |
| Other Vote heads | | | | 1,906,273 | (1,906,273) | |
| Maintenance and Improvement | | | | 1,186,000 | (1,186,000) | |
| Local transport / travelling | | | | - | - | |
| Electricity and water | | | | - | - | |
| Medical | | | | - | - | |
| Administration costs | | | | - | - | |
| BOM Teachers | | | | - | - | |
| Activity | | | | - | - | |
| SMASSE | | | | - | - | |
| Fee on Boarding Equipment and Stores | | | | - | - | |
| | | | | - | - | |
| OTHER INCOME | | | | | | |
| Tenders | | | | 9,000 | | |
| Damages | | | | - | | |
| LT&T | | | | - | | |
| Repairs and Maintenance | | | | - | | |
| Personal Emoluments | | | | - | | |
| Admin Costs | | | | - | | |
| Activity | | | | - | | |
| Welfare | | | | 15,220 | | |
| Caution Money | | | | - | | |

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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| | | | | | | |
|--|-----------|--|-----------|-----------|-----------|-----|
| (I) EXPENDITURE FOR TUITION | | | | | | |
| Text books | 500,000 | | 500,000 | - | 500,000 | 0% |
| Exercise books | 1,800,000 | | 1,800,000 | - | 1,800,000 | 0% |
| Laboratory equipment and apparatus | 1,148,000 | | 1,148,000 | - | 1,148,000 | 0% |
| Teaching/learning materials | 544,000 | | 544,000 | 358,734 | 185,266 | 66% |
| Chalks | 100,000 | | 100,000 | - | 100,000 | 0% |
| Internal exams | 500,000 | | 500,000 | - | 500,000 | 0% |
| Reference books | 200,000 | | 200,000 | - | 200,000 | 0% |
| Bank charges | | | 0 | 2,554 | (2,554) | |
| PAYMENTS FOR OPERATIONS | | | 0 | | - | |
| Other Vote heads | | | 0 | 1,908,688 | | |
| Service Gratuity | 56,280 | | 56,280 | 56,280 | | |
| Administration Cost | | | 0 | - | | |
| Repairs and maintenance & improvements | | | 0 | 29,400 | | |
| Local transport / travelling | | | 0 | - | | |
| Electricity and water | | | 0 | - | | |
| Medical | | | 0 | - | | |
| Activity Expenses | | | 0 | 92,600 | | |
| MIF | 988,000 | | 988,000 | 988,000 | | |
| Gratuity Payment | 0 | | 0 | - | | |
| Bank Charges | | | 0 | 8,568 | | |
| Acquisition of Assets | 0 | | 0 | - | | |
| | 0 | | 0 | | | |
| BOARDING AND SCHOOL FUND PAYMENTS | | | 0 | | | |
| Activity | | | 0 | - | | |
| Tender | | | 0 | 9,000 | | |
| Damages | | | 0 | - | | |
| Pocket Money | | | 0 | - | | |
| caution Money | | | 0 | - | | |
| Personnel emoluments | | | 0 | - | | |
| Service Gratuity | 60,000 | | 60,000 | 60,000 | | |
| Repairs and maintenance & Improvements | | | 0 | - | | |
| Local transport / travelling | | | 0 | - | | |
| Electricity and water | | | 0 | - | | |

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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| | | | | | | |
|---|------------------|----------|------------------|------------------|------------------|--------------|
| Medical Expenses | 0 | | 0 | - | | |
| Administration costs | | | 0 | - | | |
| Lunch Programme | 2,517,825 | | 2,517,825 | 2,517,825 | | |
| Bank Charges | | | 0 | 7,545 | | |
| Expenses on Income Generating Activities | 0 | | 0 | - | | |
| Fee on Boarding Equipment and Stores | | | 0 | - | | |
| Rent Expenses | | | 0 | - | | |
| Insurance Cost (Life Property) | 0 | | 0 | - | | |
| Loan Principal repayment | 0 | | 0 | - | | |
| Loan Interest repayment | 0 | | 0 | - | - | |
| Acquisition of Assets | 0 | | 0 | - | - | |
| TOTAL | 8,414,105 | 0 | 8,414,105 | 6,039,194 | 2,374,911 | 71.8% |

IX NOTES TO THE FINANCIAL STATEMENTS

| | Column2 | Column3 | Column4 | Column5 |
|----------|--|---------|-------------------|-------------------|
| 1 | CAPITATION GRANT FOR TUITION | | | |
| | | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Text books | | - | - |
| | Exercise books | | - | - |
| | Laboratory equipment and apparatus | | - | - |
| | Teaching/learning materials | | 618,610.20 | 166,540.00 |
| | Chalks | | - | - |
| | Internal exams | | - | - |
| | Reference books | | - | - |
| | Total | | 618,610.20 | 166,540.00 |
| 2 | CAPITATION GRANT FOR OPERATIONS | | | |
| | | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Other Vote heads | | 1,906,272.70 | 777,136.80 |
| | Maintenance and Improvement | | 1,186,000.00 | 660,000.00 |

FUNJU SECONDARY SCHOOL
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| | | | | |
|--|------------------------------|--|---------------------|-------------------|
| | Local transport / travelling | | | |
| | Electricity and water | | | |
| | Medical | | | |
| | Administration costs | | | |
| | BOM Teachers | | | |
| | Activity | | | |
| | Total | | 3,092,272.70 | 1437136.80 |

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

| | | 2021-2022 | 2020-2021 |
|--|------------------------------|---------------------|-------------------|
| | | Kshs | Kshs |
| | Lunch | 3,692,502.00 | 1,160,825.00 |
| | Repairs and maintenance | - | - |
| | Local transport / travelling | - | - |
| | Electricity and water | - | - |
| | Medical | - | - |
| | Administration costs | - | - |
| | Activity | - | - |
| | Total | 3,692,502.00 | 1160825.00 |

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

| | | 2021-2022 | 2020-2021 |
|--|---------|-----------|-----------|
| | | Ksh | Ksh |
| | Tenders | 9,000.00 | 9,500.00 |
| | Damages | - | 2,560.00 |
| | LT&T | | |

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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| | | | | |
|--|--------------------------------------|--|------------------|------------------|
| | Repairs and Maintenance | | | |
| | Personal Emoluments | | | |
| | Admin Costs | | | |
| | Activity | | | |
| | Welfare | | 15,220.00 | - |
| | Caution Money | | | |
| | Rent income | | | |
| | Income from farming activities | | | |
| | Insurance compensation | | | |
| | Income from Posho mill | | | |
| | Income from Bus Hire | | | |
| | Fee for hire of ground and equipment | | | |
| | Income from grants and donations* | | | |
| | Interest income | | | |
| | Dividends income | | - | - |
| | Total | | 24,220.00 | 12,060.00 |

5 PAYMENTS FOR TUITION

| | | 2021-2022 | 2020-2021 |
|--|------------------------------------|------------|------------|
| | | Kshs | Kshs |
| | Text books | - | - |
| | Exercise books | - | - |
| | Laboratory equipment and apparatus | - | - |
| | Teaching/learning materials | 358,734.00 | 325,271.00 |
| | Chalks | - | - |
| | Internal exams | - | - |

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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| | | | | |
|--|--|--|---------------------|-------------------|
| | Reference books | | - | - |
| | Bank charges | | 2,554.00 | 1,632.00 |
| | | | - | - |
| | Total | | 361,288.00 | 326,903.00 |
| 6 PAYMENTS FOR OPERATIONS | | | | |
| | | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Other Vote heads | | 1,908,688.00 | 998,251.00 |
| | Service Gratuity | | 56,280.00 | 40,000.00 |
| | Administration Cost | | | |
| | Repairs and maintenance & improvements | | 29,400.00 | |
| | Local transport / travelling | | | |
| | Electricity and water | | | |
| | Medical | | | |
| | Activity Expenses | | 92,600.00 | 82,200.00 |
| | MIF | | 988,000.00 | - |
| | Gratuity Payment | | - | - |
| | Bank Charges | | 8,568.00 | 4,754.00 |
| | Acquisition of Assets | | | |
| | Transfers | | | |
| | TOTAL | | 3,083,536.00 | 1125205.00 |
| 7 BOARDING AND SCHOOL FUND PAYMENTS | | | | |

FUNJU SECONDARY SCHOOL
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| | | 2021-2022 | 2020-2021 |
|--|--|---------------------|-------------------|
| | | Kshs | Kshs |
| Activity | | | |
| Tender | | 9,000.00 | 12,500.00 |
| Damages | | - | 2,560.00 |
| Pocket Money | | | |
| caution Money | | | |
| Personnel emoluments | | | |
| Service Gratuity | | 60,000.00 | |
| Repairs and maintenance & Improvements | | | |
| Local transport / travelling | | | |
| Electricity and water | | | |
| Medical Expenses | | | |
| Administration costs | | | |
| Lunch Programme | | 2,517,825.00 | 826,479.00 |
| Bank Charges | | 7,545.00 | 3,446.00 |
| Expenses on Income Generating Activities | | | |
| Fee on Boarding Equipment and Stores | | | |
| Rent Expenses | | | |
| Insurance Cost (Life Property) | | | |
| Loan Principal repayment | | | |
| Loan Interest repayment | | | |
| Acquisition of Assets | | | |
| TOTAL | | 2,594,370.00 | 844,985.00 |

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance.*

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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| | | | | |
|-----------|--|----------------------------|-------------------|-------------------|
| | <i>ground maintenance and costs incurred during hire of school bus among others.</i> | | | |
| | | | | |
| 8 | BANK ACCOUNTS | | | |
| | | | | |
| | Name of Bank, Account No. & currency | Bank Account Number | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Tuition Account | | 27,477.00 | 22,284.80 |
| | Operations Account | | 95,328.10 | 141,557.40 |
| | School Fund Account/Boarding | | 64,278.61 | 44,725.61 |
| | Savings Account | | | |
| | Income generating activities Account | | - | - |
| | Infrastructural Account | | | |
| | Farm Account | | | |
| | Total | | 187,083.71 | 208,567.81 |
| | | | | |
| 9 | CASH IN HAND | | | |
| | | | | |
| | Description | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Tuition Account | | | |
| | Operation Account | | | |
| | School Fund account | | - | 906.00 |
| | Total | | - | 906.00 |
| | | | | |
| 10 | SHORT TERM INVESTMENTS | | | |
| | | | | |
| | Description | | 2021-2022 | 2020-2021 |

FUNJU SECONDARY SCHOOL
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| | | | Kshs | Kshs |
|--|--------------------|--|------|------|
| | Cooperative shares | | - | - |
| | Treasury Bills | | - | - |
| | Fixed deposit | | - | - |
| | Equity stock | | - | - |
| | Other investments | | - | - |
| | Total | | - | - |

11 ACCOUNTS RECEIVABLE

| Description | | 2021-2022 | 2020-2021 |
|--------------|--|---------------------|----------------------|
| | | Kshs | Kshs |
| Fees arrears | | 3,129,977.00 | 2,231,117.00 |
| Main Account | | - | 152,279.00 |
| SACCO Dues | | - | - |
| Savings | | - | 90,000.00 |
| Operations | | - | 280,000.00 |
| Total | | 3,129,977.00 | 2753396.00.00 |

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

| Description | | 2021-2022 | 2020-2021 |
|---|--|---------------------|-------------------|
| | | Kshs | Kshs |
| Fees arrears for current year | | 1,096,980.00 | 237,755.00 |
| Fees arrears for the previous year | | 498,818.00 | 696,938.00 |
| Fees arrears for prior periods (over two years) | | 1,534,179.00 | 1,296,424.00 |
| Total | | 3,129,977.00 | 2231117.00 |

FUNJU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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| 12 ACCOUNTS PAYABLE | | | | |
|---|--|-------------------|-------------------|--|
| Description | | 2021-2022 | 2020-2021 | |
| | | Kshs | Kshs | |
| Trade creditors (See ageing below and appendix 1) | | 748,243.00 | 815,913.00 | |
| Cop | | - | 2,200.00 | |
| Others | | - | | |
| Bursary | | - | 300,000.00 | |
| Prepayments | | 88,294.00 | 211,265.00 | |
| Savings Account | | - | 18,000.00 | |
| NSSF | | - | 1,100.00 | |
| Total | | 836,537.00 | 1348478.00 | |
| [Include an ageing of the creditor's arrears below] | | | | |
| Description | | 2021-2022 | 2020-2021 | |
| | | Kshs | Kshs | |
| Trade creditors for current year | | 748,243.00 | 633,863.00 | |
| Trade creditors for the previous year | | - | 127,050.00 | |
| Trade creditors for prior periods (over two years) | | - | 55,000.00 | |
| Total | | 748,243.00 | 815,913.00 | |
| 13 FUND BALANCE BROUGHT FORWARD | | | | |
| Description | | 2021-2022 | 2020-2021 | |
| | | Kshs | Kshs | |
| Bank balances | | 208,567.81 | 80,040.01 | |

FUNJU SECONDARY SCHOOL
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| | | | | |
|--|---------------------------|--|---------------------|-------------------|
| | Cash balances | | 906.00 | 3,000.00 |
| | Inter Accounts adjustment | | - | |
| | Receivables | | 2,231,117.00 | 2,040,262.00 |
| | Payables | | (1,348,478.00) | (988,379.00) |
| | Total | | 1,092,112.81 | 1134923.01 |

VI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Contin

5. **Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
6. **Accounts Payable**
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
7. **Non-current assets**
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
8. **Budget**
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.
9. **Comparative figures**
Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.
10. **Subsequent events**
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022



FUNJU SECONDARY SCHOOL**FEES DEBTORS FROM 30TH JUNE 2021 UPTO 30/06/2022**

| VIHEAD | FORM 1 | FORM 2 | FORM 3 | FORM 4 | TOTAL |
|---------------|------------------|-------------------|-------------------|----------------|------------------|
| LUNCH | 31,500.00 | 171,900.00 | 468,530.00 | 425,050 | 1,096,980 |
| TOTALS | 31,500.00 | 171,900.00 | 468,530.00 | 425,050 | 1,096,980 |

FUNJU SECONDARY SCHOOL**TRADE CREDITORS LIST -FROM 30/06/2021 UPTO JUNE 30TH 2022**

| | |
|---|-------------------|
| 1 Mandela Investments | 30,000.00 |
| 2 Litez Computers | 170,106.00 |
| 3 Multiple Seven | 156,440.00 |
| 4 Kansbag Limited | 121,980.00 |
| 5 Postal Corporation | 7,725.00 |
| 6 Support staff salaries | 40,854.00 |
| 8 NSSF | 32,472.00 |
| 9 Nyosha Stores | 53,220.00 |
| 10 NHIF | 10,100.00 |
| 11 BOM Teachers Support Staff salaries-II | 41,616.00 |
| 12 Danson Mwanyalo | 21,730.00 |
| 13 Teachers at Large | 62,000.00 |
| TOTALS | 748,243.00 |

FEES- PREPAYMENTS 2021/2022 - Schedule-III

| | FORM 1 | FORM 2 | FORM 3 | FORM 4 | TOTAL |
|---------------|------------------|---------------|------------------|---------------|------------------|
| | 66,900.00 | - | 21,394.00 | - | 88,294.00 |
| TOTALS | 66,900.00 | - | 21,394.00 | - | 88,294.00 |

