

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MOSOP MIXED SECONDARY SCHOOL

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

NAKURU COUNTY

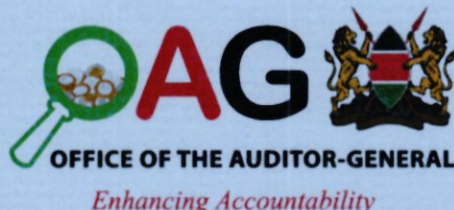
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Hon Owen Baya, MP
Deputy Majority Leader
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Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MOSOP MIXED SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - NAKURU 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 Mosop Mixed Secondary School - Nakuru County set out on pages 1 to 19, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with 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 Mosop Mixed Secondary School - Nakuru County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the 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 the financial statements reflects errors and misstatements affecting various amounts and balances as detailed below: -

- i. The statement of financial assets and financial liabilities and statement of cash flows indicates current year and comparative period as 2020 - 2021 instead of 2022 - 2021.
- ii. The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.1,164,357 as disclosed in Note 12 to the financial statements while Annex 1 - analysis of pending accounts payable reflects Kshs.680,517 resulting to unexplained difference of Kshs.483,840.
- iii. Comparative information on biological assets as disclosed in Note 15 to the financial statements indicates Kshs.Nil balance. However, the previous year audited accounts reflects that the schools owns one (1) milk production cow valued at Kshs.70,000, nine hundred and sixty-seven (967) trees (3 years old) and cyprus valued at Kshs.48,350.
- iv. Note 17 to the financial statements discloses Kshs.Nil inventory whereas the School had stationeries and food stuff as at 30 June, 2022.
- v. Annex 2 to the financial statements reflects Kshs.Nil in the summary of fixed assets register. However, physical inspection revealed that the School had fixed assets such as land, buildings and structures, office equipment, furniture and fittings, ICT equipment, tools and apparatus and textbooks.

In the circumstances, the accuracy, completeness, presentation and disclosure of the financial statements could not be confirmed and does not comply with the requirements of the International Public Sector Accounting Standards Board.

2. Variances Between Financial Statements and Supporting Schedules

The following variances between the financial statements and the supporting schedules were noted;

- i. The statement of receipts and payments reflects capitation for operations amount of Kshs.2,783,443 while receipts as per bank statements reflects Kshs.2,126,009 resulting to an unexplained difference of Kshs.657,434.
- ii. The statement of receipts and payments reflects capitation grants for tuition amount of Kshs.645,396 while the NEMIS Capitation records reflects Kshs.565,521 resulting to an unexplained difference of Kshs.79,875.
- iii. The statement of receipts and payments reflects payments for tuition amount of Kshs.920,561 while supporting schedules reflects Kshs.675,420 resulting to an unreconciled difference amounting to Kshs.245,141.
- iv. The statement of receipts and payments reflects boarding and school amount of Kshs.2,811,108 while supporting schedules reflects Kshs.2,765,873 resulting to an unreconciled difference amounting to Kshs.45,235.
- v. The statement of financial assets and financial liabilities reflects accounts receivables of Kshs.1,523,823 while the schedule reflects balance Kshs.1,478,201 resulting to an unexplained difference of Kshs.45,622.
- vi. The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.1,164,357 while the supporting schedule reflects a balance of Kshs.732,112 resulting to an unreconciled difference of Kshs.432,245.

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

3. Inaccuracies in the Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation for operations amount of Kshs.645,396 and Kshs.2,783,443, respectively as disclosed in Note 1 and Note 2 to the financial statements. Review of documents revealed that the National Education Management Information System (NEMIS) reported a total number of one thousand six hundred and eighty-one (1,681) students while the school enrolment record indicated one thousand eight hundred and sixty-three (1,863) students resulting to a variance of one hundred and eighty-two (182) students. This resulted to underfunding amounting to Kshs.921,932. Further, the School had students who were not registered in NEMIS due to lack of birth certificates or duplicate birth certificate numbers. In addition, students who had attained the age of over eighteen (18) years were removed from NEMIS system.

In the circumstances, the accuracy and completeness of the capitation grants for tuition and capitation for operations amount of Kshs.645,396 and Kshs.2,783,443, respectively could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalent Balances

The statement of financial assets and financial liabilities reflects bank balance of Kshs.15,896 as disclosed in Note 8 to the financial statements and which excludes bank balance of Kshs.1,772,672 in respect of Infrastructural and National Government Constituencies Development Fund balances of Kshs.70,269 and Kshs.1,702,403, respectively. Further, reconciled cash book balance of school fund account indicates a balance of Kshs.1,467 which varies with the balance of Kshs.10,205 disclosed in Note 8 to the financial statements by an amount of Kshs.8,738. In addition, the statement financial assets and financial liabilities reflects cash balance of Kshs.23,890 as disclosed in Note 9 to the financial statements which was not supported by board of survey report.

In the circumstances, the existence, accuracy and completeness of cash and cash equivalents balance of Kshs.39,786 as at 30 June, 2022 could not be confirmed.

5. Inaccuracies in the Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables of Kshs.1,523,823 which relates to fees arrears as disclosed in Note 11 to the financial statements. However, the fees arrears list included overpaid fees of Kshs.239,699 which ought to have been treated as payables or deferred income. In addition, detailed analysis provided in the same Note indicates that an amount of Kshs.1,341,823 had remained outstanding for more than two (2) years but there was no evidence on the efforts being made to ensure their recoverability. In addition, the significant accounting policies on accounts receivables as disclosed in Note 5 is silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.1,523,823 could not be confirmed.

6. Undisclosed Summary of Fixed Assets and Lack of Ownership Documents

Review of list of assets provided for audit revealed that the fixed assets includes land, buildings and structures, office equipment, furniture and fittings, ICT equipment, tools and apparatus and textbooks. However, these assets had not been valued or disclosed in as an annexure to the financial statements. In addition, Management did not maintain an asset register in the format prescribed and the assets were not coded or tagged for ease of identification and tracking of the assets. Further, records provided for audit revealed that the School owns ten (10) acres piece of land comprising of approximately five (5) acres handed over by Mosop Nursery School and another five (5) acres surrendered by a resident in exchange for a portion in another location surrendered to Mosop Primary School. As at the time of audit, in the Month of June, 2023, the title deeds had not been obtained and ownership of the two (2) portions of land could not be confirmed.

In the circumstances, the accuracy, completeness, ownership and existence of non-current assets with un disclosed value as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mosop Mixed 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 judgement, 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 Law on Board Meetings

During the year under review, the Board of Management held only one (1) meeting contrary to the provisions of Section 6(1) of the Basic Education Act, 2013.

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

2. Budget Imbalance

The statement of budgeted versus actual amounts reflects a final income budget of Kshs.6,256,268 and final expenditure budget of Kshs.6,765,017 resulting to a difference of Kshs.508,749. The budget imbalance is contrary to the provisions of Section 33(c) of the Public Finance Management (National Governments) Regulations, 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

3. Irregular Transfer of Funds

The statement of receipts and payments reflects an amount of Kshs.2,830,279 in respect of payments for operations as disclosed in Note 6 to the financial statements. The amount includes Kshs.240,100 transferred to co-curricular funds of the Kenya Secondary School Heads Association (KSSHA) which is a welfare organization that draws its membership from School Principals only and it is not defined in Government funding.

In the circumstances, value for money on Kshs.240,100 transferred to KSSHA for the could not be confirmed.

4. Failure to Transfer Infrastructure Funds

The statement of receipts and payments reflects capitation for operations amount of Kshs.2,783,443 which includes maintenance and improvement funds amount of Kshs.195,000 transferred to the school infrastructure account as required by Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021. However, there were no records provided to show the full amounts that related to infrastructure grants or maintenance and for improvement funds which should have been transferred.

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

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 matter 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

Lack of a School Improvement Plan

Review of the School's strategic plan and Board minutes revealed that the Management does not have in place a School Improvement Plan that provides a road map for changes that a school needs to improve the school environment and learning outcomes. It describes what a school improvement plan is, discusses why the plan is needed, and explains how to develop the plan, implement it, as well as how to monitor and evaluate the implementation.

In the circumstances, there is a risk of failing to determine and assess its needs, and outlining programs that resolve all the issues uncovered.

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

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

Responsibilities of Management and those Charged with Governance

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance 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 overall 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 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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



MOSOP SECONDARY SCHOOL

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2022

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

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 21 of the Public Finance Management Act, 2012 and the Fourth Schedule paragraph 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			
2	Audit Committee	-Dr.Joshua Langat	Chair person	2/3
		-Md Linet moraa	Member	2/3
		Mr.Francis Tonui	Member	2/3
3	Finance,procurement and general purposes Committee	Md.Linet Moraa	Chair	2/3
		Mr.Francis Korma	Member	2/3
		Md Janeth Mutai	Member	2/3
-4	Academic Committee	Mr. Patrick Kirui	Chair	2/3
		Mr Josea Kirui	Member	2/3
		Md Margaret	Member	2/3
5	Development Committee	Mr John Rono (PA)	Chair	2/3
		Pst.William Langat	Member	2/3
		Md Lucy Ndungu	Member	2/3
		Mr Francis Tonui	Member	2/3
6	Discipline and welfare Committee	Mr Francis Tonui	Chair	2/3
		Mr Francis Korma	Member	2/3
		Mr Thomas Too	Member	2/3
		D: Joshua Langat	Member	2/3
7	Adhoc Committee (if any during the year)			

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

(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
1	Principal	Mr. Francis Tonui	359409
2	Deputy Principal	Mr. Francis Korma	649826
3	School Bursar	Md. Janeth Mutai	ID NO. 22080325

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

S/No	Teacher/subject	Number of teachers
3	Maths	1(BOM)
4	Physics	1
5	Geography	1(BOM)
6	History	1
7	Business	1
8	Biology	1
9	Chemistry	1(BOM)
10	CPE	1
11	Agriculture	1

f) Mean score in the KCSE:

Performance of the school in KCSE FOR the last three years:

Year	2022/2021	2021/2020	2019
Performance score(mean)	2.28	2.77	2.9
Students transitioned to higher learning institution (University)	0	0	0

g) Number of Candidates in the KCSE:

Number of Candidates for KCSE over the last three years

Years	2022	2021	2020	2019
Number of candidates	57	57	57	44

h) Capacity of the school:

Number of students as at 31/06/2021

BOYS	GIRLS	TOTAL
98	11	212

School facilities

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Facility	Number available	Shortages
Classrooms	5	6
Dining hall	0	1
Laboratory	0	1
Kitchen	1 Temporary	1 permanent
Toilets: boys	16(doors)	0
Toilets: Girls	8(Doors)	4
Library store	0	1

Toilets: boys = 1:7

Toilets; girls = 1:15

;) Development projects carried out by the school

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format:

PROJECT	SOURCE OF FUNDS	REMARKS
CBC CLASS PROJECT	MINISTRY OF EDUCATION (MOE)	Fully completed


 Sign.....
Elijah Ongori
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.

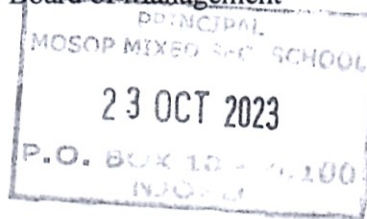
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.


The Board of Management of Mosop Mixed 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, 2021, and of the school's financial position as at that date.

Name: Mr. Thomas Too
Designation: Chairman, School Board of Management
Sign: 
Date: 23/10/2023

Name: Mr. Elijah Ongori
Designation: Ag. Principal & Secretary to Board of Management
Sign: 
Date: 23/10/2023



Name: Mrs. Janet Mutai
Designation: Bursar
Sign: 
Date: 23/10/2023

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

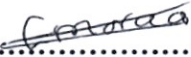
V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021- 2022	2020 - 2021
			Kshs
RECEIPTS			
Capitation grants for tuition	1	645,397	277,593
Capitation grants for operations	2	2,783,443	1,684,359
School Fund Income- Parents' Contributions	3	2,822,759	1,058,398
School Fund Income- Other receipts	4	-	-
Proceeds from borrowings			
TOTAL RECEIPTS		6,251,599	3,020,350
PAYMENTS			
Payments for Tuition	5	920,561	476,203
Payments for operations	6	2,830,279	1,705,529
Boarding and school fund payments	7	2,811,108	989,036
TOTAL PAYMENTS		6,561,948	3,170,768
SURPLUS/DEFICIT		(310,349)	(150,418)

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

FR
 Sign: 
 Mr. Thomas Too
 Chair BOM

FR
 Sign: 
 Mr. Elijah Ongori
 Ag. Principal & Secretary to
 BOM

FR
 Sign: 
 Janeth Mutai
 School Bursar
 ID No. 22080325




Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

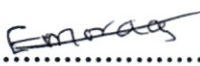
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 JUNE 2022

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	15,896	107,924
Cash Balances	9	23,890	61,918
Short term Investment	10	-	-
Total Cash and Cash Equivalents		39,786	169,842
Account's receivables	11	1,523,823	1,408,603
TOTAL FINANCIAL ASSETS		1,563,609	1,578,445
FINANCIAL LIABILITIES			
Accounts Payable	12	1,164,357	868,845
NET FINANCIAL SSETS		399,252	709,601
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	709,601	860,018
Surplus/Defict for the year		(310,349)	(150,418)
NET FINANCIAL POSITION		399,252	709,600

The School's financial statements were approved on 23/10/2023 and signed by:

Sign: 
 Mr. Thomas Too
 Chair BOM

Sign: 
 Mr. Elijah Ongori
 Ag. Principal & Secretary to
 BOM

Sign: 
 Janeth Mutai
 School Bursar
 ID No. 22080325



Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

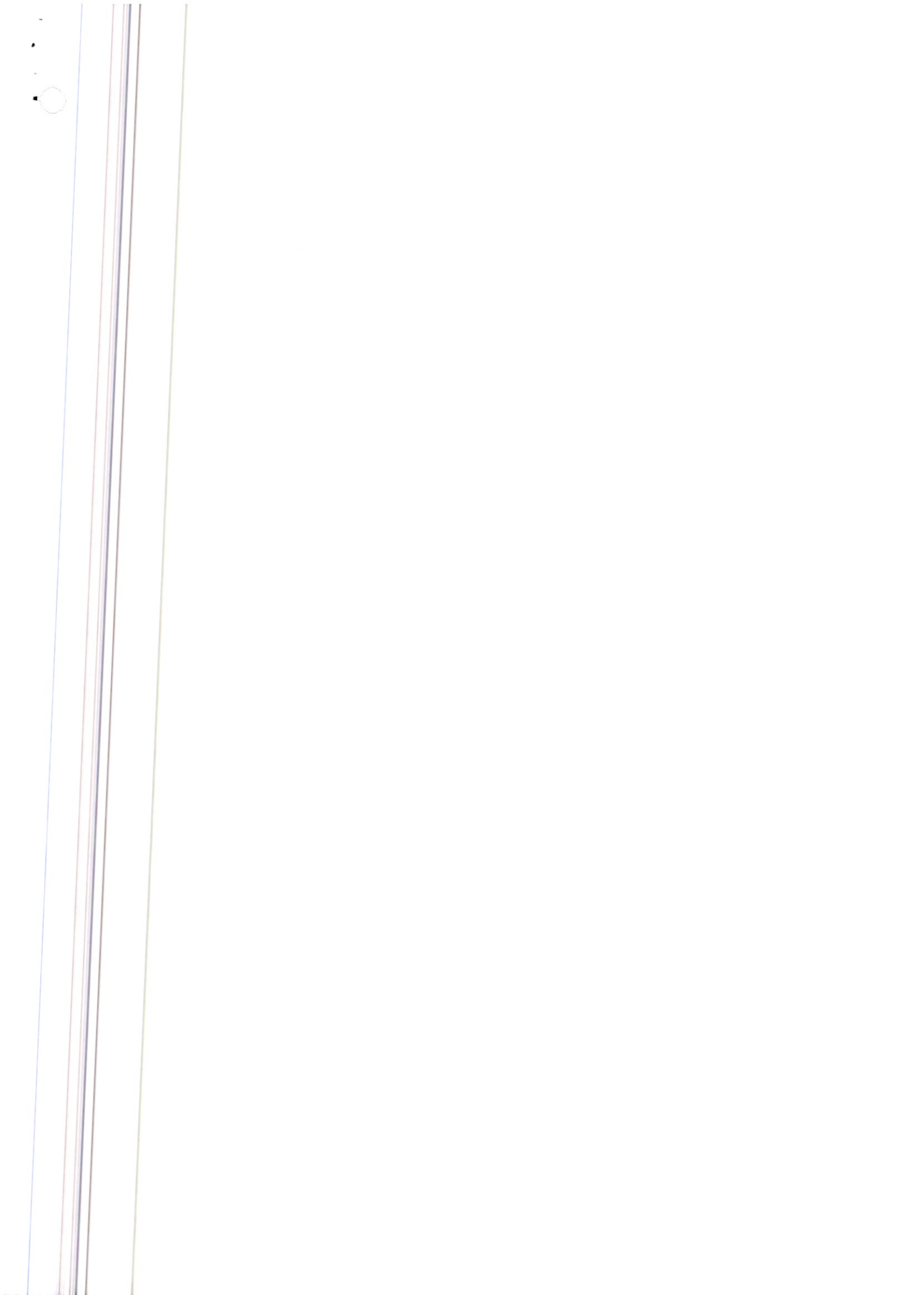
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	645,397	277,593
Capitation grants for operations	2	2,783,443	1,684,359
School fund income- Parents contributions/ fees	3	2,822,759	1,058,398
Decrease/Increase in Receivables		(115,220)	22,530
School fund income- other receipts		-	-
Total receipts		6,136,379	3,042,880
Payments			
Payments for Tuition		920,561	476,203
Payments for operations		2,830,279	1,705,529
Boarding and school fund payments		2,811,108	989,036
Increase in Payables		(295,512)	(256,834)
		6,266,436	2,913,934
Net cash flow from operating activities		(130,057)	128,946
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			-
Acquisition of Assets			-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(130,057)	128,946
Cash and cash equivalent at BEGINNING of the year		169,842	40,896
Cash and cash equivalent at END of the year		39,786	169,842

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 Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Text books						
Exercise books	280,000		248,400	246,056	2,344	99%
Laboratory equipment and apparatus	260,800		202,000	200,000	2,000	99%
Teaching/learning materials	76,300		35,650	33,420	2,230	94%
Chalks	18,000		15,920	15,000	920	94%
Internal exams	125,900		113,312	108,921	9,391	92%
Reference books	87,600		80,000	72,000	8,000	84%
Bank charges						
(2) CAPITATION GRANT ON OPERATIONS						
EWC	192,000		172,656	163,501	9,155	95%
LT @T	320,400		310,000	290,350	19,650	94%
RMI	1,250,000		900,000	889,000	11,000	99%
Personal emolument	860,000		686,800	650,018	36,782	95%
Admin cost	765,420		641,530	636,575	4,955	99%
Activity	155,000		155,000	154,000	1,000	99%
Medical and insurance						
Lunch expenses						
Transportation						
Printing						
(3) FEES CHARGED ON PARENTS						
Personal emoluments						
Lunch Programme	2,973,000.00		2,720,000	2,705,739	14,261	100%
Local transport / travelling						
Electricity and water						
Fees Arrears				117,020	-117,020	

Receipt/Expense 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 %
Administration costs					-	
Activity					-	
SMASSE					-	
Fee on Boarding Equipment and Stores					-	
OTHER INCOME					-	
<i>Fee on Boarding Equipment and Stores</i>					-	
<i>Electricity, water & C</i>					-	
<i>LT&T</i>					-	
<i>Repairs and Maintenance</i>					-	
<i>Personal Emoluments</i>					-	
<i>Admin Costs</i>					-	
<i>Activity</i>					-	
<i>Pocket Money</i>					-	
<i>Caution Money</i>					-	
<i>bursary awards</i>					-	
<i>Income from farming activities</i>					-	
<i>Insurance compensation</i>		-			-	
<i>Income from Posho mill</i>					-	
<i>Income from Bus Hire</i>					-	
<i>Fee for hire of ground and equipment</i>					-	
<i>Income from grants and donations*</i>		-			-	
<i>Interest income</i>					-	
<i>Dividends income</i>					-	
TOTAL INCOME	7,364,420		6,255,268	6,251,599	4,669	100%
(1) EXPENDITURE FOR TUITION						
Text books						
Exercise books	280,000		248,400	210,000		85%
Bank Charges	3,220		1,224	1,224		100%
Teaching/learning materials	76,300		45,000	39,223		87%

Receipt/Expense 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 %
chalks	18,000		18,920	-		0%
Internal exams	125,900		118,312	98,310		83%
Reference books	87,600		84,110	84,110		100%
Laboratory Chemicals and Equipment	260,800		450,000	487,694	-37,694	108%
PAYMENTS FOR OPERATIONS						
EWC	192,000		168,800	162,745		96%
LT @T	320,400		295,760	289,850		98%
RMI	1,250,000		550,000	456,770		83%
Personal emolument	860,000		972,000	960,400		98%
Admin cost	765,420		812,548	734,999		90%
Activity	155,000		155,000	154,020		99%
National Social Security Fund				69,420		
Infrastructure grant, computer lab				-		
Infrastructure grant , 3 classrooms				-		
CDF Grant , ablutoin block				-		
Bank charges	3,320		2,075	2,075		100%
Infrastructure, borehole				-		
3)Expenditure For School Fund						
Activity				-		
Posho mill				-		
Bus hire				-		
Pocket Money				-		
caution Money				-		
Personnel emoluments	421,500		421,500	421,500		100%
Prepaid Fees				51,595		
Repairs and maintenance & Improvements				-		
Local transport / travelling				-		
Electricity and water				-		
Medical Expenses				-		



IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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.



Joseph Mwanza Secondary School
 Reports and Financial Statements for the year ended 30th June 2022

Receipt/Expense 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 %
Administration costs				-		
Lunch Programme	2,423,000		2,423,000	2,336,645		96%
Bank Charges	1,368		1,368	1,368		100%
Expenses on Income Generating Activities				-		
Fee on Boarding Equipment and Stores				-		
Merchandise awards				-		
Insurance Cost (Life Property)				-		
Loan Principal repayment				-		
Loan Interest repayment						
Acquisition of Assets						
TOTAL	7,243,828		6,765,017	6,561,948		96%
	120,000		-508,749	-310,349		

Notes: Shortfall in the number of students than expected and inflationary rates were responsible for the percentage utilization.

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 30th June 2021

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Reference and Library materials	42,000	11,243
Exercise Books	246,056	108,769
Laboratory Equipment	200,000	57,000
Internal Exams	108,921	47,500
Teaching / Learning Materials	33,420	48,581
Chalks	15,000	4,500
Exams And Assessment		
Teachers Guides		
Total	645,397	277,593

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	650,018	512,750
Repairs And Maintenance	889,000	776,500
Local Transport / Travelling	290,350	145,000
Electricity And Water	163,501	35,359
Medical		
Administration Costs	636,575	203,750
Activity	154,000	11,000
Total	2,783,443	1,684,359

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments		
Lunch program	2,705,739	991,148
Fees arrears	117,020	67,250
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Medical		

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Administration costs		
Activity		
Total	2,822,759	1,058,398

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores		
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		

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Reference books	84,110	66,000
Bank charges	1,224	612
Exercise Books	210,000	191,786
Laboratory Equipment	487,694	-
Internal Exams	98,310	65,724
Teaching / Learning Materials	39,223	147,581
Chalks	-	4,500
Exams And Assessment		
Teachers Guides		
Administration Costs		
Bank Charges		
Total	920,561	476,203

*Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022*

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel Emoluments	960,400	521,400
Service Gratuity		
Administration Cost	734,999	221,121
Repairs And Maintenance & Improvements	456,770	770,180
Local Transport / Travelling	289,850	145,115
Electricity And Water	162,745	35,255
Medical		
Activity Expenses	154,020	11,600
Smasse		
Insurance Cost		
Bank Charges	2,075	858
Acquisition Of Assets		
Income	69,420	-
Total	2,830,279	1,705,529

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	421,500	10,200
Prepaid fees	51,595	52,465
Service Gratuity		
Repairs And Maintenance & Improvements		
Local Transport / Travelling		
Electricity And Water		
Medical Expenses		
Administration Costs		
Lunch Programme	2,336,645	834,867
Bank Charges	1,368	504
Expenses On Income Generating Activities		
Fee On Boarding Equipment and Stores		
Rent Expenses		
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
Total	2,811,108	989,036

*Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022*

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1141510715	668	31,915
Operations Account	1225690665	5,022	52,274
School Fund Account/Boarding	1207380792	1,467	23,735
Savings Account			
Parent Association Development Account			
Income Generating Activities Account			
Infrastructural Account			
Total		7,158	107,924

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	22,423	22,007
School Fund account	10,205	39,911
Total	32,628	61,918

10 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit		
Equity Stock		
Other Investments		
Total		

*Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022*

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	1,523,823	1,408,603
Other Non-Fees Receivables		
Salary Advances		
Imprest		
Total	1,523,823	1,408,603

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	117,020	67,250
Fees Arrears For The Previous Year	67,250	169,543
Fees Arrears For Prior Periods (Over Two Years)	1,341,353	1,261,590
Less recovered fees	(1,800)	(89,780)
Total	1,523,823	1,408,603

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,164,357	868,845
Prepaid Fees		
Retention Monies		
Total	1,164,357	868,845

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	570,000	394,334
Trade Creditors for The Previous Year	868,845	612,011
Trade Creditors for Prior Periods (Over Two Years)		
Less creditors paid during the year	(266,000)	(137,500)
Total	1,164,357	868,845

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	93,833	40,895
Cash Balances	76,009	-
Short Term Investments	-	-
Receivables	1,408,603	1,431,133
Payables	(868,845)	(612,010)
Total	709,601	860,018

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	2021-2022 Kshs	2020-2021 Kshs
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Total		

15 Biological assets

Description	Numbers	2021-2022 Kshs	2020-2021 Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Total			

16 Borrowings

Description	2021-2022 Kshs	2020-2021 Kshs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year		

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022


Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory:		
Stock/inventory at beginning of the year		
Stock/inventory purchased during the year		
Stock/inventory issued during the year		
Balance at end of the year		

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

This being the first time being audited by Office of the Auditor-General, there has been no previous issues raised that requires comments.

for 
Sign.....
Elijah Ongori
School Principal

PRINCIPAL
MOSOP MIXED SECONDARY SCHOOL
23 OCT 2023
P.O. BOX 10000

MOSOP MIXED SECONDARY SCHOOL
23 OCT 2023
P.O. BOX 10000

Mosop Mixed Secondary School
Reports and Financial Statements for the year ended 30th June 2022

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. Shanice general Supplier		15/5/2022		240,423		
5. Mbuni School supplies		27/5/2022		287,694		
6.						
Sub-Total						
Supply of services						
7. Unpaid salaries (Oct & Nov 2020)		(Oct & Nov 2020)		152,400		
8.						
9.						
Sub-Total						
Grand Total				680,517		



ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
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						

The school management does not have adequate resources to do valuation of its fixed assets. The management shall source for resources to do so going forward.

