

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 NOV 2024	DAY: MONDAY
TABLED BY: OF	HON. NAOMI WAQU DEP. MAJORITY WHIP
CLERK-AT THE-TABLE:	HAILE HUSSEIN.

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THE AUDITOR-GENERAL

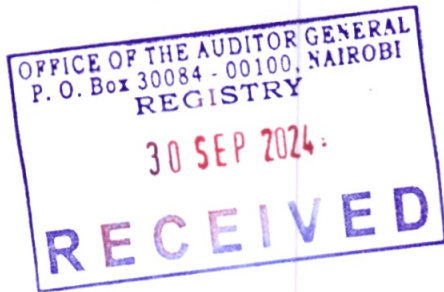
ON

HOLA BOYS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

TANA RIVER COUNTY

Revised 30th June 2022.



HOLA 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)

(Holo boys secondary school)

Reports 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 TANA RIVER County, TANA Sub-County

The school was registered in 09/01/2012 under registration number PU/S/358/12 and is currently categorized as a *National* public school established, owned or operated by the Government.

The school is a boarding school and had 400 number of students as at 30th June 2022. It has 3 streams and 24 teachers of which 8 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	JOHN E. DHADHO	Chairman	14/10/2020
2	STANNLEY H MOTTO	Secretary - Principal	14/10/2020
3	MARK OMARA	Member	14/10/2020
4	BAKARI O KOMORA	Member	14/10/2020
5	ABRAHAM O JUMA	Member	14/10/2020
6	ELIZABETH P BALO	Member	14/10/2020
7	JUMA BALES	Member	14/10/2020
8	HALIMA KARO	Member – Rep CEB	14/10/2020
9	EDWIN BIKALA	Member Rep Teachers	14/10/2020
10	JACOB MARO BUYA	Members - Sponsor	14/10/2020
11	DAUD DAHIR AHMED	Members - Sponsor	14/10/2020
12	PRUDENCE KARHAYU	Members - Sponsor	14/10/2020
13	JUMA BALES	Member - Community	14/10/2020
14	ABDULKARIM WARE	MemberSpecial Needs	14/10/2020
15	KATANA LUKAS	Rep Students	01/01/2022

Key School Information and Management (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	JOHN DHADHO STANLEY H. MOTO RASHID KOMORA MARK OMARA JANE NGUGI	BOM CHAIRMAN BOM SECREARY BOM MEMBER BOM MEMBER BOM MEMBER	4 out of 5 5 out of 5 5 out of 5 5 out of 5 5 out of 5
2	Audit Committee	ELIZABETH P BALO STANLEY H MOTTO JOHN E DHADHO BAKARI KOMORA ESHA KALIME	COM CHAIRPERSON BOM SECRETARY BOM CHAIRMAN BOM MEMBER BOM MEMBER	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	JANE K NGUGI PRUDENCE KARHAYU STANLEY H MOTTO DAUD DAHIR AHMED JOHN E DHADHO	CHAIRPERSON BOM MEMBER BOM SECRETARY BOM MEMBER BOM CHAIRMAN	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	ABRAHAM O JUMA JACOB MARO ABDULHAKIM SHEHE EDWIN W BIKALA STANLEY H MOTTO	COMM CHAIRMAN BOM MEMBER BOM MEMBER TEACHER REP BOM SECRETARY	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

5	Development Committee	MARK M OMARA JANE K NGUGI STANLEY H MOTTO JOHN E DHADHO RASHID KOMORA	COMM CHAIRMAN BOM MEMBER BOM SECRETARY BOM CHAIRMAN BOM MEMBER	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
6	Discipline and welfare Committee	MARK M OMARA KOMORA SAID EDWIN W BIKALA STANLEY H MOTTO ESHA KALIME	COMM CHAIRMAN BOM MEMBER TEACHER REP BOM SECRETARY BOM MEMBER	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
7	Human rights and student welfare committee	DAUD D AHMED HALIMA KORO STANLEY H MOTTO ABDULHAKIM W SHEHE NAOMI VENITOR N/N	COMM SECRETARY BOM MEMBER BOM SECRETARY BOM MEMBER BOM MEMBER	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
8	Adhoc Committee (if any during the year)			

(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	Stanley Hannington Motto	358619
2	Deputy Principal	Athuman Juma Matezo	371768
3	School Bursar/Accounts clerk	Silvano Babo Benjamin	23557383

KEY SCHOOLS INFORMATION AND MANAGEMENT (CONTINUED)

(e) Schools contacts

Post Office Box: 50-70101
Telephone: 0717 045 623
E-mail: holasecondaryschool@yahoo.com
Website:
Facebook:
Twitter:

(f) School Bankers

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

Name of Bank: KCB
Branch: HOLA
Account Number: 1104556898

Name of Bank: KCB
Branch: HOLA
Account Number: 1104556642

Name of Bank: KCB
Branch: HOLA
Account Number: 1104548119

Name of Bank: KCB
Branch: HOLA
Account Number: 1259814459

Name of Bank: KCB
Branch: HOLA
Account Number: 1259814440

Name of Bank: KCB
Branch: HOLA
Account Number: 1104557202

MPESA Pay Bill No. NIL attached to N/A bank account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(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

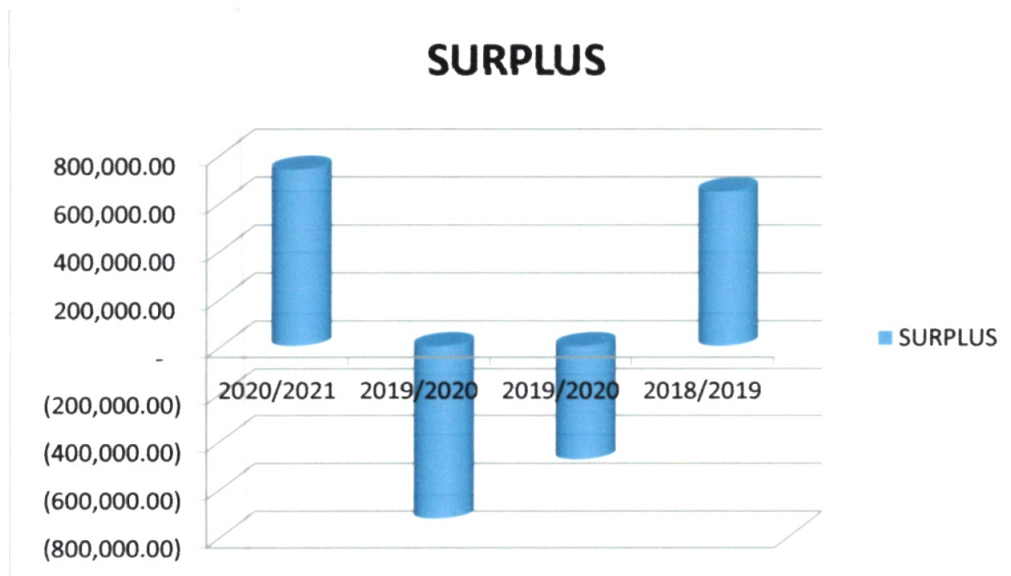
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

(Under this section, the following information should be given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*

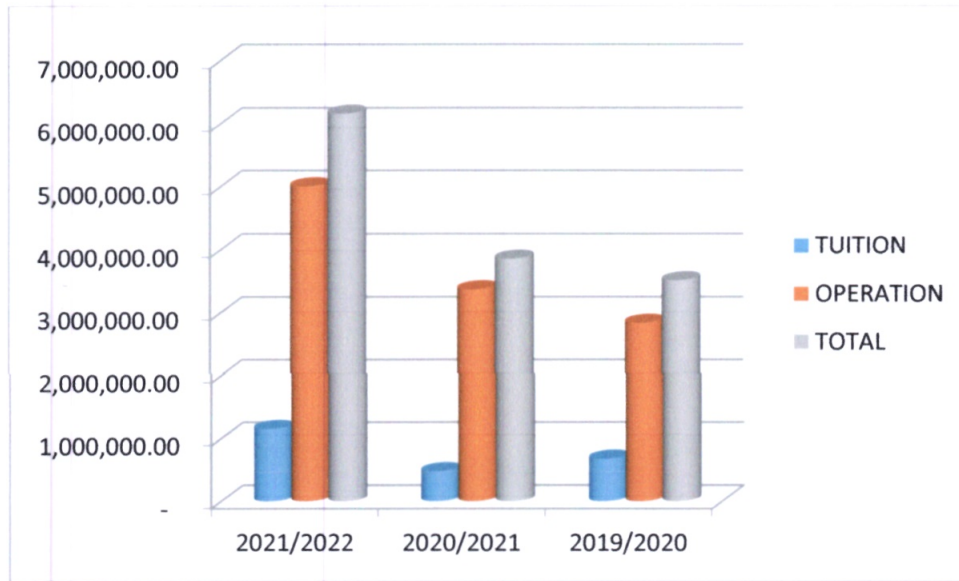
DETAILS	ACCOUNT	2021/2022	2020/2021	2019/2020
RECEIPTS	TUITION	1,156,827.20	484,356.00	681,083.00
	OPERATION	5,013,771.00	3,382,281.00	2,844,975.00
	S. FUND	23,480,690.00	7,963,144.00	8,454,500.00
	TOTAL	29,651,288.00	11,826,780.00	11,980,558.00
EXPENDITURE	TUITION	1,051,920.00	471,085.00	983,377.00
	OPERATION	5,420,652.00	3,298,270.00	3,594,993.00
	S. FUND	22,208,448.00	8,297,873.00	7,880,761.00
	TOTAL	28,681,020.00	12,067,228.00	12,459,131.00
SURPLUS		970,268.00	-237,448.00	-478,573.00



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

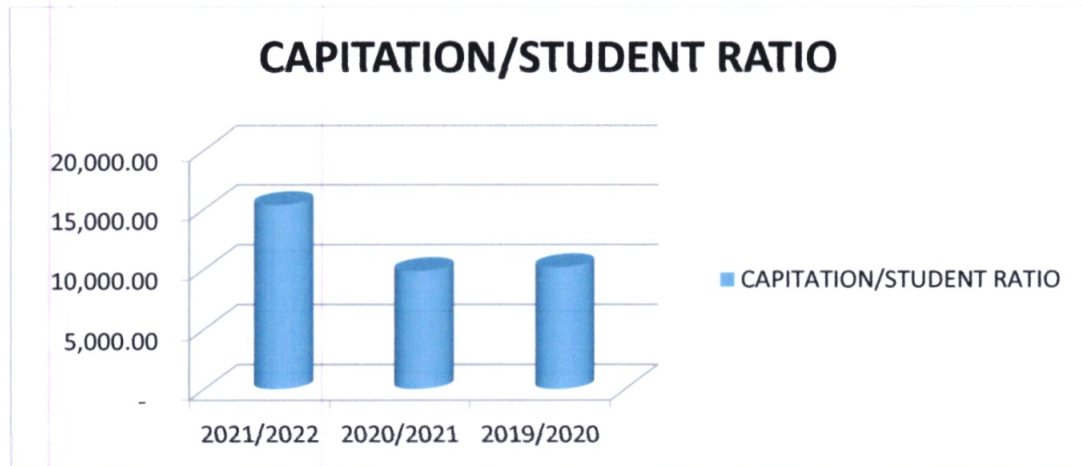
ACCOUNT	2021/2022	2020/2021	2019/2020
TUITION	1,156,827.00	484,356.00	681,083.00
OPERATION	5,013,771.00	3,382,281.00	2,844,975.00
TOTAL			

6,170,598.00 3,866,636.00 3,526,058.00



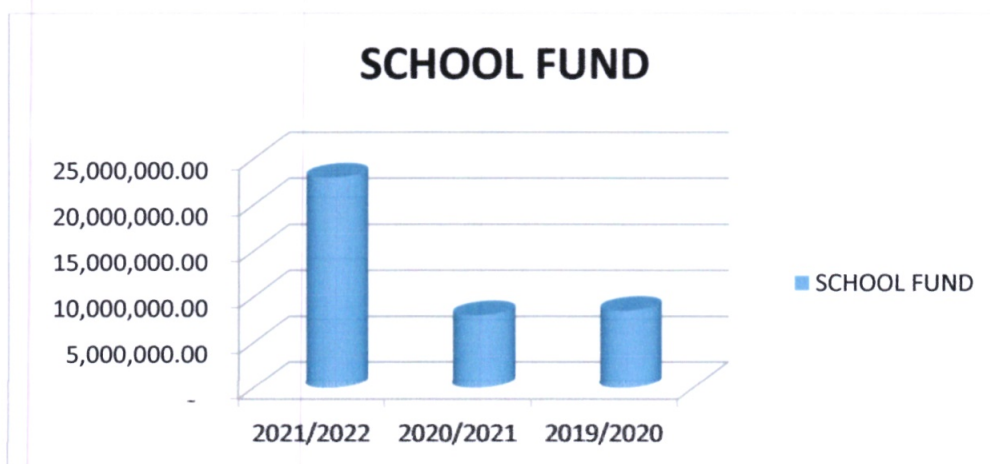
- Ratio of capitation grant per student over the last three years

DETAILS	2021/2022	2020/2021	2019/2020
CAPITATION	6,170,598.20	3,866,636.45	3,866,636.45
STUDENTS	402	392	380
CAPITATION/STUDENT	15,349.75	9,863.87	10,175.36



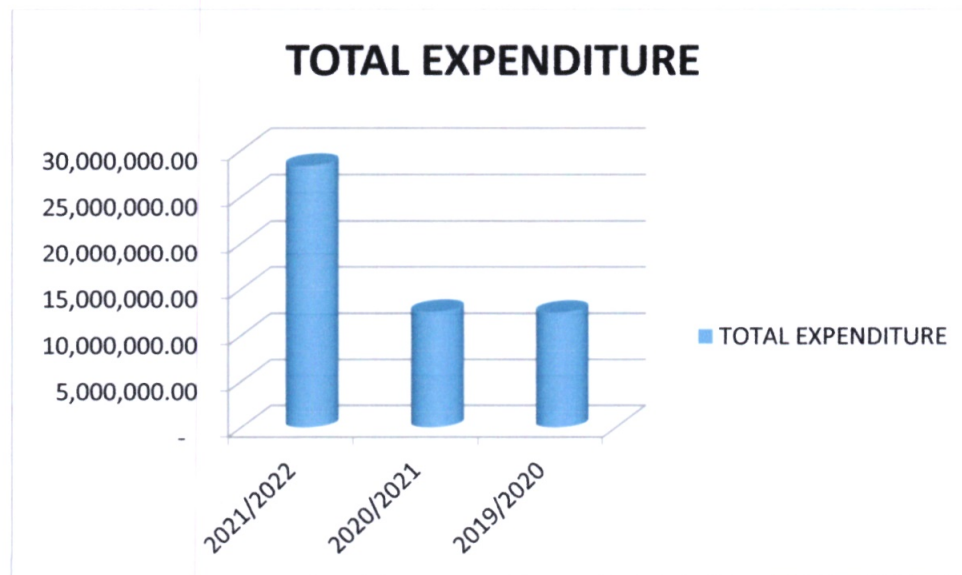
A three-year overview of growth of other income(s) earned by the school.

ACCOUNT	2021/2022	2020/2021	2019/2020
SCHOOL FUND	23,480,690.00	7,963,144.00	8,454,500.00



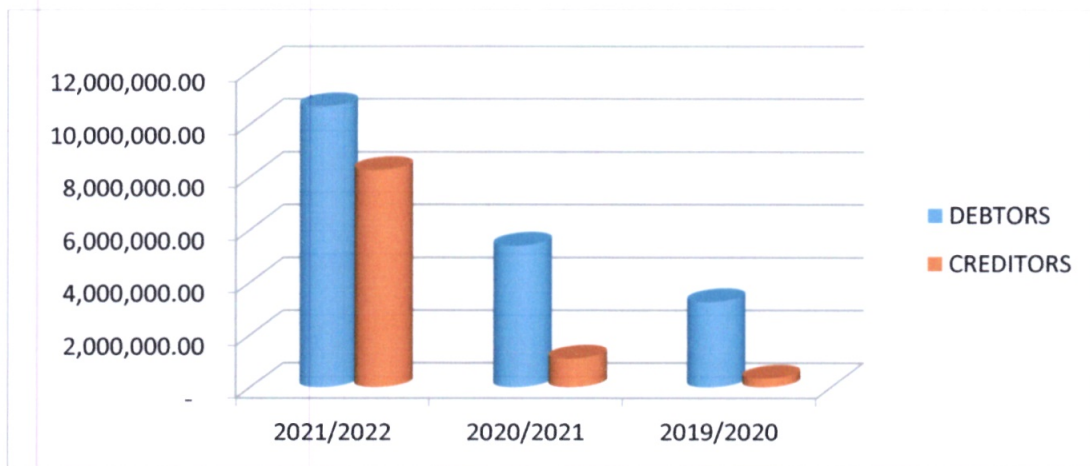
- A three-year overview of growth in expenditure of the school

DETAILS	ACCOUNT	2021/2022	2020/2021	2019/2020
EXPENDITURE	TUITION	1,051,920.00	471,085.00	983,377.00
	OPERATION	5,420,652.00	3,298,270.00	3,594,993.00
	S. FUND	22,208,448.00	8,297,873.00	7,880,761.00
	TOTAL	28,681,020.00	12,067,228.00	12,459,131.00



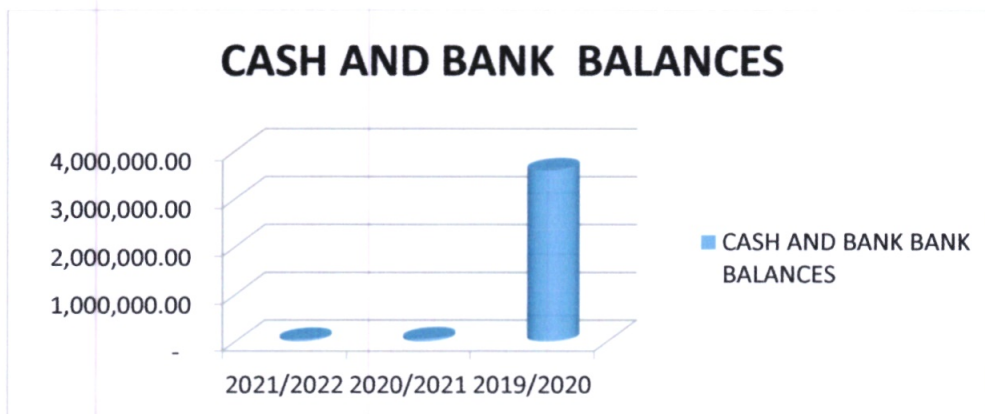
- Movement of debtors and creditors of the school over the last three years

DETAILS	2021/2022	2020/2021	2019/2020
DEBTORS	11,356,199.00	6,572,320.00	5,572,510.00
CREDITORS	8,252,666.00	4,211,947.00	2,891,648.00



- Movement of cash and bank balances over the last three years

DETAILS	2021/2022	2020/2021	2019/2020
CASH BALANCE	45,005.00	58,493.00	0
BANK BALANCE	546,480.00	305,884.00	281,335.00
TOTAL	591,485.00	364,377.00	281,335.00



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).

b) **Teacher Student ratio:**

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also

include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

DETAILS	2021/2022	2020/2021	2019/2020
Teachers recruited	22	24	22
Teachers posted	0	0	0
TOTAL	22	24	22
Transferred	0	2	0
No of teachers available	22	22	22
No. of students	402	392	380
Students to teachers ratio	19	18	18

c) Mean score in the 2022 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

YEAR	NO. OF STUDENTS	MEAN SCORE	UNIVERSITY	COLLEGE
2021-2022	62	4.888	11	38
2020-2021	80	4.538	13	18
2019-2020	120	4.976	15	10

d) Number of Candidates in the 2022 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

DETAILS	2021/2022	2020/2021	2019/2020
No. of students	62	120	120

e) Capacity of the school:

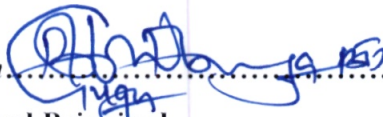
Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

DETAILS	NO. OF STUDENTS	NO OF FACILITIES	STUDENT FACILITIES RATIO
---------	-----------------	------------------	--------------------------

Classrooms	402	10	41
Dormitories	402	5	81
Dining hall	402	1	402
laboratories	402	2	201
Latrines	402	25	17
Kitchen	402	1	402

f) Development projects carried out by the school:

There were no development projects carried out during that period under review

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 (PSASB) 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 *-HOLA boys 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: ALI KALLIANI SAID

Designation: Chairman, School Board of Management

Sign:..... 

Date:..... 16/09/2024

Name: BAKARI BUYA WATTO

Designation: School Principal & Secretary to Board of Management

Sign:..... 

Date:..... 16/9/2024



Name: SILVANO B. BENJAMIN

Designation:  Bursar/ Finance Officer

Sign:.....

Date:..... 16/09/2024

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON HOLA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 -TANA RIVER 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and 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 of Kenya, 2010, 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 Hola Boys Secondary School - Tana River County set out on pages 1 to 17, which comprise 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 statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, 2010 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 Hola Boys Secondary School – Tana River 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. Variances Between Financial Statements and Supporting ledgers

The statement of receipts and payments for the year ended 30 June, 2022 reflects total receipts of Kshs.29,080,978 and total payments of Kshs.28,344,795. However, variances were noted between the Financial Statement figures and the ledgers as tabulated below:-

Item	Amount as Per Financial Statements (Kshs)	Amount as per Ledger (Kshs)	Variance (Kshs)
Receipts			
School Fund Parents Contribution	22,133,630	22,078,457	55,173
School Fund Income - Other Receipts	776,750	1,402,233	(625,483)
Payments			
Payments for Tuition	1,103,320	1,051,920	51,400
Payments for Operations	5,391,427	5,073,722	317,705
Boarding and School Fund Payments	21,850,048	17,098,035	4,752,013

Further, the cash equivalents bank balance of Kshs.522,234 differ with the ledger amount of Kshs.526,153 by Kshs.3,919.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects a balance of Kshs.10,657,965 for accounts receivable as disclosed in Note 11 to the financial

statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.10,657,965 could not be confirmed.

3. Unsupported Accounts Payables

The statement of financial assets and financial liabilities as at 30 June, 2022 reflects accounts payables balance of Kshs.8,252,666 as disclosed in Note 12 to the financial statements. However, the following issues were noted;

- i. The accounts payables balance of Kshs.8,252,666 was not supported with documents including creditors' ledgers, invoices and prepaid fees documents.
- ii. The trade creditors figure of Kshs.6,120,914 varies from the amount of Kshs.3,956,550 analyzed in Annex 1 Analysis of Pending Accounts Payables in the Financial Statements.

In the circumstances, the accuracy of the accounts payable balance of Kshs.8,252,666 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Hola Boys Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.23,471,000 and Kshs.29,080,978 respectively, resulting to an over-funding of Kshs.5,609,978 or 23.63% of the budget. However, the School spent Kshs.28,344,795 against actual receipts of Kshs.29,080,978 resulting to an under-utilization of Kshs.736,183 or 2.54% of actual receipts.

The over-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public

My opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution of Kenya, 2010 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 15 March, 2024 instead of the statutory deadline of 30 September 2022. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which required the School's financial statements to be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Non-compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:-

- i. Inconsistent table of contents
- ii. Failure to present figures to the nearest Kenya Shilling
- iii. Failure to disclose all bank accounts in school bankers section

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

3. Lack of an Approved Budget and Annual Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.29,080,978 and Kshs.28,344,795 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

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

The statement of receipts and payments reflects operations grants amount of Kshs.5,013,771 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,809,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no grants were transferred to infrastructure account. This was contrary to The Ministry of Education Circular Ref. No: MOE.HSQ/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

5. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.21,850,048 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.176,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.176,500 could not be confirmed.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on the 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 governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which requires the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.66,057,100 in respect of fixed assets. However, included in the register is 31 acres of Land with a nil balance and whose land ownership documents were not provided for audit.

In the circumstances, the accuracy, completeness and ownership of the assets could not be confirmed.

3. Under Supply of Textbooks

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed 288 books to the School while only 102 books were issued to the students, resulting to an unexplained deficit text books of 186 books in the School store.

In the circumstances, the deficit in supply of the text books may affect service delivery to the students.

4. Failure to Maintain an Assets Register

The summary statement of fixed assets shows various categories of assets owned by the School. However, the school did not maintain a fixed assets register as required by section 143(1) of the Public Financial Management (National Government) Regulations, 2015.

5. Valuation of Text Books

Review of delivery notes for text books revealed that prices by the publishers of the books were not included and thus the value of the textbooks could not be ascertained.

In the circumstances, lack of ownership documents and comprehensive Fixed Assets Register may lead to loss of assets and inaccurate disclosure in financial statements.

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 the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya, 2010. 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 of Kenya, 2010, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya, 2010. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 September, 2024

Reports and Financial Statements For the year ended 30th June 2022

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	1,156,827.00	484,356.00
Capitation grants for operations	2	5,013,771.00	3,382,281.00
School fund income- parents' contributions	3	22,078,457.00	7,811,894.00
School fund income- other receipts	4	1,402,233.00	151,250.00
Proceeds from borrowings		-	-
Total Receipts		29,651,288.00	11,829,780.00
Payments			
Payments for tuition	5	1,051,920.00	471,085.00
Payments for operations	6	5,480,652.00	3,298,270.00
Boarding and school fund payments	7	22,208,448.00	8,297,873.00
Total Payments		28,741,020.00	12,067,228.00
Surplus/Deficit		910,268.00	-237,448.00

The school financial statements were approved on 06/03/ 2024 and signed by:

Sign..... 

Name: ALI KALLANI SAID

Chairman BOM

Date: 16/09/2024

Sign..... 

Name: BAKARI BUYA WATTO
School Principal/ Secretary to
BOM

Date: 16/9/2024



Sign..... 

NAME: SILVANO B.
BENJAMIN


Bursar/ Finance Officer


Date: 16/09/2024


.VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	546,480.00	305,884 .00
Cash balances	9	45,005.00	58,493.00
Short term investment	10	-	-
Total cash and cash equivalent		591,485.00	364,377.00
Account's receivables	11	11,356,199.00	6,572,320 .00
Total financial assets		11,947,684.00	6,936,697 .00
Financial liabilities			
Accounts payables	12	8,252,666.00	4,211,947.00
Net financial assets		<u>3,695,018.00</u>	<u>2,724,750.00</u>
Represented by			
Accumulated fund b/fwd	13	2,724,750.00	2,962,197 .00
Surplus/deficit for the year		970,268.00	(237,448)
Net financial position		<u>3,695,018.00</u>	<u>2,724,750.00</u>

The school's financial statements were approved on 06/03 2024 and signed by:


.....
Name: ALI KALLANI SAID
Chairman BOM
Date: 16/09/2024


.....
Name: BAKARI BUYA WATTO
School Principal/ Secretary to BOM
Date: 16/9/2024


.....
Name: SILVANO B. BENJAMIN
Bursar/ Finance Officer
Date: 16/09/2024

PRINCIPAL
HOLA BOYS SCHOOL
P. O. Box 50 70101, HOLA
Date:.....Sign:.....

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,156,827.00	484,356 .00
Capitation grants for operations	2	5,013,771.00	3,382,281.00
School fund income- parents contributions/ fees	3	17,382,817.00	7,345,638.00
School fund income- other receipts	4	1,402,233.00	151,250 .00
Total receipts		24,955,648.00	11,363,524 .00
Payments			
Payments for tuition	5	1,051,920.00	630,910.00
Payments for operations	6	5,420,652.00	3,298,910.00
Boarding and school fund payments	7	18,255,968.00	7,351,302.00
Total payments		24,728,540.00	11,280,482 .00
Net cash flow from operating activities		227,108.00	83,042.00
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities			
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings			
Net cash flow from financing activities		227,108.00	83,042.00
Net increase in cash and cash equivalents			
Cash and cash equivalent at beginning of the year		364,376.00	281,335.00
Cash and cash equivalent at end of the year		591,485.00	364,376.00

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	-	-	-	-	-	0.0%
Exercise Books	240,000.00	-	240,000.00	223,902.00	16,098.00	93%
Laboratory Equipment	520,000.00	-	520,000.00	509,999.00	10,001.00	98%
Internal Exams	200,000.00	-	200,000.00	180,366.00	19,635.00	90%
Teaching / Learning Materials	126,000.00	-	126,000.00	124,390.00	1,610.00	99%
Chalks	60,000.00	-	60,000.00	55,976.00	4,024.00	93%
Exams And Assessment	65,000.00	-	65,000.00	62,195.00	2,805.00	96%
Teachers Guides						
(2) Capitation Grant on Operations						
Personnel Emoluments	2,400,000.00	-	2,400,000.00	2,304,324.00	95,676.00	96%
Repairs And Maintenance	2,000,000.00	-	2,000,000.00	1,854,000.00	146,000.00	93%
Local Transport / Travelling	400,000.00	-	400,000.00	320,476.00.00	79,524.00	80%
Electricity And Water	400,000.00	-	400,000.00	396,594.00	3,406.00	99 %
Medical	-	-	-	-	-	0.0%
Administration Costs	400,000.00	-	400,000.00	138,377.00	261,623.00	35%
Activity	-	-	-	-	-	0
Gratuity						

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Smasse		-		-		
<i>(3) Fees Charged on Parents</i>		-				
Personnel Emoluments	2,600,000.00	-	2,600,000.00	3,306,073.00	(706,073.00)	127%
Repairs And Maintenance	800,000.00	-	800,000.00	1,320,211.00	(520,211.00)	165%
Local Transport / Travelling	400,000.00	-	400,000.00	362,539.00	37,461.00	91%
Electricity And Water	1,800,000.00	-	1,800,000.00	2,176,794.00	(376,794.00)	121 %
Medical	-	--	-	-	-	0.0%
Administration Costs	800,000.00	--	800,000.00	1,201,416.00	(401,416.00)	150%
Activity	600,000.00	--	600,000.00	271,970.00	328,030.00	45%
Smasse	0	--	0	-	-	0.0%
Fee On Boarding Equipment and Stores	9,000,000	-	9,000,000	13,494,627	(4,494,627)	150%
Other Income	0	-	0	-	-	0.0%
Rent Income	150000	-	0	150,000.00	0	100%
Income From Farming Activities	600000	-	600,000	1,058,733	(458733)	176%
Insurance Compensation	0	-	0	-	-	0.0%
Income From Posho Mill	0	-	0	-	-	0.0%
Income From Bus Hire	180,000	-	180,000	113,000	67,000	63%
Fee For Hire of Ground And Equipment	150,000	-	150,000	80,500	69,500	54%
Interest Income	0	-	0		-	0.0%
Income From Any Other Investment	0	-	0	-	-	0.0%
Total Income	23,741,000	-	23,741,000	29,501,288	-5,760,288	125%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) Expenditure For Tuition	0	-	0	-	-	
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	240,000.00	-	240,000.00		240000	0
Laboratory Equipment	520,000.00	-	520,000.00	387,839	132,161.00	75%
Internal Exams	200,000.00	-	200,000.00	0	200,000	
Teaching / Learning Materials	126,000.00	-	126,000.00	231,236.00	-105236	184%
Chalks	60,000.00	-	60,000.00	0	60000	
Exams And Assessment	65,000.00	-	65,000.00	0	60000	
Teachers Guides	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Bank Charges	-	-	-	2,933	(2,933)	0.0%
	-	-	-	-	-	-
(2) Expenditure For Operations	-	-	-	-	-	-
Personnel Emoluments	2,400,000	-	2,400,000	2,114,935	285,065	88%
Repairs, Maintenance & Improvements	2,000,000	-	2,000,000	260,000	1,740,000	13%
Local Transport / Travelling	400,000	-	400,000	852,613	-452,613	213%
Electricity, Water and Conservancy	400,000	-	400,000	1,160,424	(760,424)	290%
Medical	0	-	0	0	0	0.0%
Administration Costs	400,000	-	400,000	525,880	(125,880)	132%
Activity Expenses	-	-	-	-	-	-
Gratuity	--	-	--	-	-	-
Smasse	-	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) Expenditure For School Fund		-				
Personnel Emoluments	2,600,000	-	2,600,000	4,074,045	(1,474,045)	156%
Repairs, Maintenance and Improvements	800,000	-	800,000	953,973	(153,973)	119%
Local Transport / Travelling	400,000	-	400,000	865,050	(465,050)	216%
Electricity, Water and Conservancy	1,800,000	-	1,800,000	1,692,870	107,130	94%
Medical Expenses	-	-	-	-	-	0.0%
Administration Costs	800,000	-	800,000	1,574,928	(774,928)	196%
Activity	600,000	-	600,000	327,490	272,510	55%
Gratuity	-	-	-	-	-	0.0%
Lunch Programme	-	-	-	-	-	0.0%
Boarding Equipment and Stores	9,000,000	-	9,000,000	12,393,492	(3,393,492)	138%
Expenditure For Income Generating Activity	930,000	-	930,000	326,600	603,400	35%
Insurance Costs	-	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-	0.0%
Rent Expenses	-	-	-	-	-	0.0%
Bank Charges	-	-	-	-	-	0.0%
Loan Interest Repayment	-	-	-	-	-	0.0%
Loan Principal Repayment	-	-	-	-	-	0.0%
Acquisition Of Assets		-		-	-	0.0%
Totals	23,741,000	-	23,741,000	28,251,107	(4,510,107)	119%

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

- i. Xxx*
- ii. Xxx*

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.

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	-	-
Exercise Books	223,902.00	93,746.00
Laboratory Equipment	509,999.00	213,533.00
Internal Exams	180,366.00	75,518.00
Teaching / Learning Materials	124,390.00	52,081.00
Chalks	55,976.00	23,437.00
Exams And Assessment	62,195.00	26,041.00
Total	1,156,827.00	484,356.00

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	2,304,324.00	1,435,200.00
Repairs And Maintenance	1,854,000.00	1,200,400.00
Local Transport / Travelling	320,476.00	280,000.00
Electricity And Water	396,594.00	176,680.00
Medical	-	45,000.00
Administration Costs	138,377.00	245,001.00
Activity	-	-
Total	5,013,771.00	3,382,281.00

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	3,306,073.00	1,529,427.00
Repairs and maintenance	1,320,211.00	320,948.00
Local transport / travelling	362,539.00	303,570.00
Electricity and water	2,176,794.00	784,200.00
Medical	-	50,300.00
Administration costs	1,201,416.00	294,350.00
Activity	271,970.00	7,600.00
Total	8,639,003.00	3,290,395.00

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	13,439,454.00	4,521,499.00
Rent Income	150,000.00	-
Income From Farming Activities	1,058,733.00	126,250.00
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	113,000.00	25,000.00
Fee For Hire of Ground and Equipment	80,500.00	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Total	14,896,860.00	4,672,749.00

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	8000.00	-
Exercise Books	0	37,100.00
Laboratory Equipment	387,839.00	214,000.00
Internal Exams	0	40,500.00
Teaching / Learning Materials	231,236.00	18,500.00
Chalks	0	16,130.00
Exams And Assessment	0	14,300.00
Teachers Guides	0	-
Administration Costs	421,913.00	159,825.00
Bank Charges	2,932.00	1,230.00
Total	1,051,920.00	471,085.00

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	2,114,935.00	2,354,925.00
Service Gratuity	260,000.00	-
Administration Cost	852,613.00	524,955.00
Repairs And Maintenance & Improvements	1,160,424.00	-
Local Transport / Travelling	506,800.00	87,500.00
Electricity And Water	525,880.00	260,880.00
Medical	-	-
Activity Expenses	-	70,000.00
Smasse	-	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition Of Assets	-	-
Total	5,420,652.00	3,298,270.00

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	4,074,045.00	681,484.00
Service Gratuity	-	0
Repairs And Maintenance & Improvements	953,973.00	605,881.00
Local Transport / Travelling	865,050.00	412,350.00
Electricity And Water	1,692,870.00	618,934.00
Medical Expenses	-	154,000.00
Administration Costs	1,574,928.00	925,109.00
Expenses On Income Generating Activities	326,600.00	85,000.00
Fee On Boarding Equipment and Stores	12,393,492.00	4,731,225.00
Activity	327,490.00	83,890.00
Insurance Cost (Life Property)	-	-
Total	22,208,448.00	8,297,873.00

(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, ground maintenance and costs incurred during hire of school bus among others).

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	1104556642	156,927.00	27,774.00
Operations Account	1104558119	2,948.00	25,919.00
School Fund Account/Boarding	1104556898	170,836.80	42,476.00
Savings Account	1259814459	55,928.25	49,874.00
Parent Association Development Account	-	-	-
Income Generating Activities Account	1259814440	67,848.00	67,848.00
Infrastructural Account	1104557207	91,991.85	91,992.00
Total		546,479.90	305,884.00

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	43,808.00	58,493.00
School Fund account	1,197.00	-
Total	45,005.00	58,493.00

10 Short Term Investments

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

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	11,320,444.00	6,572,320.00
Other Non-Fees Receivables	0	-
Salary Advances	0	-
Imprest	0	-
Total	11,320,444.00	6,572,320.00

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	5,707,536.00	11,672,263.00
Fees Arrears For The Previous Year	1,425,063.00	1,737,631.00
Fees Arrears For Prior Periods (Over Two Years)	4,187,845.00	3,162,426.00
Total	11,320,444.00	6,572,320.00

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,120,914.00	2,512,554.00
Prepaid Fees	2,131,752.00	1,550,300.00
Retention Monies	-	-
Total	8,252,666.00	4,211,947.00

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	3,962,320.00	2,379,496.00
Trade Creditors for The Previous Year	2,000,936.00	133,058.00
Trade Creditors for Prior Periods (Over Two Years)	157,658.00	
Total	6,120,914.00	2,512,554.00

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	305,883.00	281,335.00
Cash Balances	58,493.00	-
Short Term Investments	-	-
Receivables	6,572,320.00	5,572,510.00
Payables	(4,211,947.00)	(2,891,648.00)
Total	2,724,750.00	2,962,197.00

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

15 Biological assets

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

16 Borrowings

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

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	352,235.00	136,600.00
Stock/ inventory purchased during the year	5,210,065.00	3,210,065.00
Stock/ inventory issued during the year	(4,704,618.00)	(2,994,430.00)
Balance at end of the year	857,682.00	352,235.00

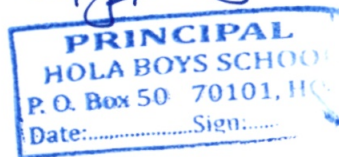
18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Sign and Date 16/9/2024.....

Principal [Signature].....



ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
	a	b	c	d-a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. N/A						
Sub-Total						
Supply Of Goods						
2. SHAFAT AHMED	547,900.00	4/01/2022	186,600	361,300.00	172,441.00	
3. NANGELEKELE GENERAL SUPPLIES	244,140.00	23/12/2020	115,100	129,040.00	0	
4. SIMAAR GENERAL SUPPLIES	3,061,400.00	4/1/2022	924,950.00	2,136,450.00	924,000 .00	
5. PASYQUEL INVESTMENTS	48,240.00	23/12/2020	0	48,240.00	48240.00	
6. HABSONS CONSTRUCTIONS LTD	152,000.00	23/12/2020	76000.00	76,000.00		
7. ABSAKA BUILDING & CONSTRUCTION LTD	64,790.00	23/12/2020	0	64,790.00	64,790.00	
8. DAVCO STATIONERY	70,100.00	23/12/2020	0	70,100.00	70,100.00	
9. JETLINK EDUCATIONAL ENTERPRISES	10,000.00		0	10,000.00	10,000.00	
10. LIHUB BULLAH ENTERPRISE	157,100.00		113,100.00	44,000.00	44,000.00	
11. NAIROBI SPORTS HOUSE	124,030.00		110,000.00	14,030.00	14,030	
12. BONSTECH COMPUTERS	203,000.00		30500	172,500.00	172,500.00	
13. WORKPOINT WORKSHOP	405,000.00		0	405,000.00	405,000.00	
14. JANTOSHA GENERAL SUPPLIES	102,558.00	23/12/2020	102,558.00	0	0	

Reports and Financial Statements For the year ended 30th June 2022

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
15. HANSMASHAQ ENTERPRISES	80,100.00	23/12/2020	80,100.00	0	0	
16. NACMICAL LTD	135,000.00	23/12/2020	135,000.00	0	0	
17. ZISAKA ENTERPRISES	350,000.00	23/12/2020	350,000.00	0	0	
18. SPORTLIGHT	24,246.00	31/12/2020	0	0	24,246.00	
19. TEACHER @ LERGE CONCEPTS	55,800.00	4/1/2022	55,800.00	0	0	
Sub-Total				3,531,450.00	1,949,347.00	
Supply Of Services						
20. SAMSON OMARA	1350.00	30/6/2022	0	1350.00		
21. JOYASKI TANA TECHNICAL AGENCY	476,250.00	4/1/2022	71,700.00	404,557.00	172,907.00	
22. NADHOYO INVESTMENTS	214,000.00	4/01/2022	31,000.00	183,000.00	36,340.00	
23. KENMU MOTORS	19,600.00	4/1/2022	0	19,600.00		
24. COMPITECH ENTERPRISES	11,000.00	4/1/2022		11,000.00		
25. SALCOMM INVESTMENTS	65,000.00	4/1/2022		65,000.00		
26. BOM STAFF SALARY JUNE 2022	506,140.00	30/6/2022		506,140.00		
27. GRATUITY 2021-2022	1,393,147.00	3/1/2022		1,393,147.00		
28. ANGAZA POSHO MILLS	5670.00	30/06/2022		5,670.00		
Sub-Total				2,589,464.00	209,247.00	
Grand Total				6,120,914.00	2,158,594.00	

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1		HOLA	30 ACRES	-	30 ACRES	30 ACRES
Land 2		N/A				N/A
Buildings And Structures		HOLA	50,000,000.00		50,000,000.00	50,000,000.00
Motor Vehicles		HOLA	2,800,000.00		2,800,000.00	2,800,000.00
Office Equipment, Furniture And Fittings		HOLA	4,400,000.00		4,400,000.00	4,400,000.00
ICT Equipment, And Other ICT Assets		HOLA	5,600,000.00		5,600,000.00	5,600,000.00
Tools And Apparatus		HOLA	1,800,000.00		1,800,000.00	1,800,000.00
Textbooks		HOLA	800,000.00		800,000.00	800,000.00
Other Machinery And Equipment		HOLA	150,000.00		150,000.00	150,000.00

(HOLA boys secondary school)

Reports and Financial Statements For the year ended 30th June 2022

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/1 (Kshs) 30th June 2021
Heritage And Cultural Assets		HOLA	0		0	0
Intangible Assets- Soft Ware		HOLA	350,000.00		350,000.00	350,000.00
Total			65,900,000.00		65,900,000.00	65,900,000.00

(The school should ensure that a detailed fixed assets register is maintained).

