

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT 25 NOV 2024

DAY.

MONDAY

TABLED
BY:

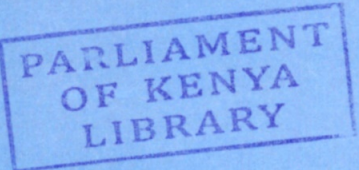
Hon. NAEMI WAGU
DEP. MAJORITY WHIP

OF
TABLE:

HATLE HUSSEIN.

THE AUDITOR-GENERAL

ON



HOLA BOYS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

TANA RIVER COUNTY

Revised 30th June 2023.



Hola Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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



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13. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

14. Key School Information and Management

[Customise the details in this section to suit your School]

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in TANA RIVER County, TANA RIVER 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 420 number of students as at 30th June 2023. It has 03 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	EMMANUEL MANGI	Secretary – Principal	14/11/2020
3	JANE NGUGI	Vice chairperson	14/11/2020
4	RASHID KOMORA	PTA Chairperson-Member	14/11/2020
5	MARK OMARA	Member	14/11/2020
6	BAKARIO. KOMORA	Member	14/11/2020
7	ABRAHAM O. JUMA	Member	14/11/2020
8	ELIZABETH P. BALO	Member	14/11/2020
9	JUMA BALESA	Member	14/11/2020
10	HALIMA KARO	Member Rep CEB	14/11/2020
11	EDWIN BIKALA	Member Rep Teachers	14/11/2020
12	JACOB MARO BUYA	Sponsor	14/11/2020
13	DAUD DAHIR AHMED	Sponsor	14/11/2020
14	PRUDENCE KARIHAYU	Sponsor	14/11/2020
15	JUMA BALESA	Member – Community	14/11/2020
16	ABDULKARIM WARE	Member Special Needs	14/11/2020
17	KATANA LUKAS	Rep Students	01/01/2020

The functions of the School Board of Management are to:

- 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 SECRETARY 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	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 MEMBER	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	ABRAHAM O JUMA JACOB MARO ABDULHAKIM SHEHE EDWIN W BIKALA	CHAIRMAN BOM MEMBER BOM MEMBER TEACHER REP	3 out of 3 3 out of 3 3 out of 3 3 out of 3

		STANLEY H MOTTO	BOM SECRETARY	3 out of 3
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	CHAIRMAN BOM MEMBER TEACHER REP BOM SECRETARY BOM MEMBER	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	EMMANUEL MANGI WARRA	358246
2	Deputy Principal	ATHUMAN JUMA MATEZO	371768
3	School Bursar/SNR ACCOUNTS CLERK	SILVANO BABO	23557382
4	Other (specify)		

(e) Schools contacts

Post Office Box: 50-70101
Telephone: 0717045623
E-mail: holasecondaryschool@yahoo.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

Name of Bank: KCB
Branch: HOLA
Account Number: 1104556898-522522 PAYBILL 7522379

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

(g) Independent Auditors

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

15. Summary Report of Performance of The School

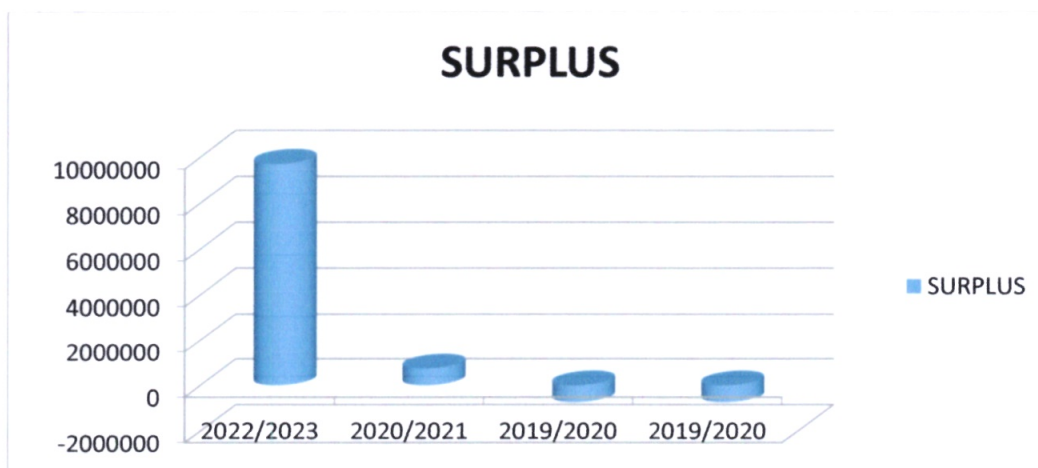
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

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

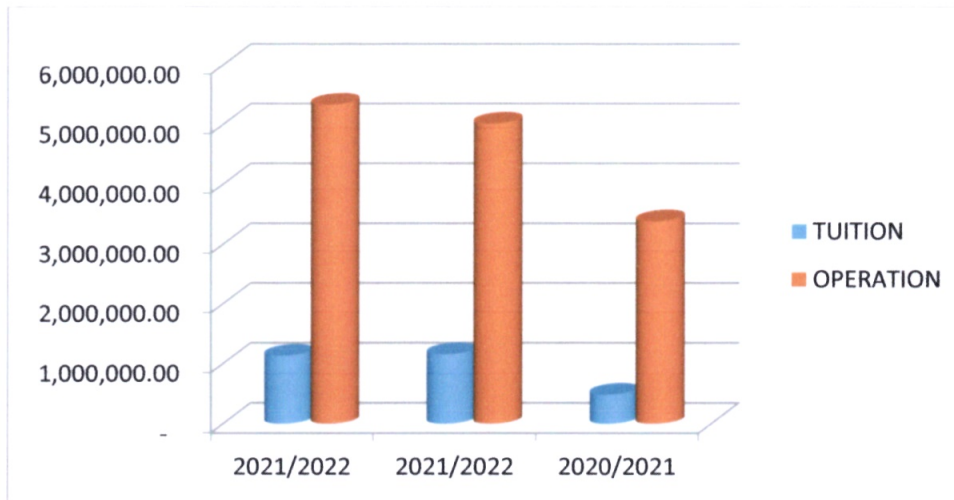
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

DETAILS	ACCOUNT	2022/2023	2021/2022	2020/2021
RECEIPTS	TUITION	1,131,556.00	1,156,827.00	484,356.00
	OPERATION	5,045,727.00	5,013,771.00	3,382,281.00
	S. FUND	34,069,896.00	23,480,690.00	7,963,144.00
	TOTAL	40,247,179.00	29,651,288.00	11,829,780.00
EXPENDITURE	TUITION	1,001,244.00	1,051,920.00	341,760.00
	OPERATION	4,598,079.00	5,420,652.00	3,298,270.00
	S. FUND	19,088,203.00	22,208,448.00	8,297,873.00
	TOTAL	24,687,526.00	28,681,020.00	12,067,228.00
SURPLUS		15,559,653.00	970,268.00	-237,447.00



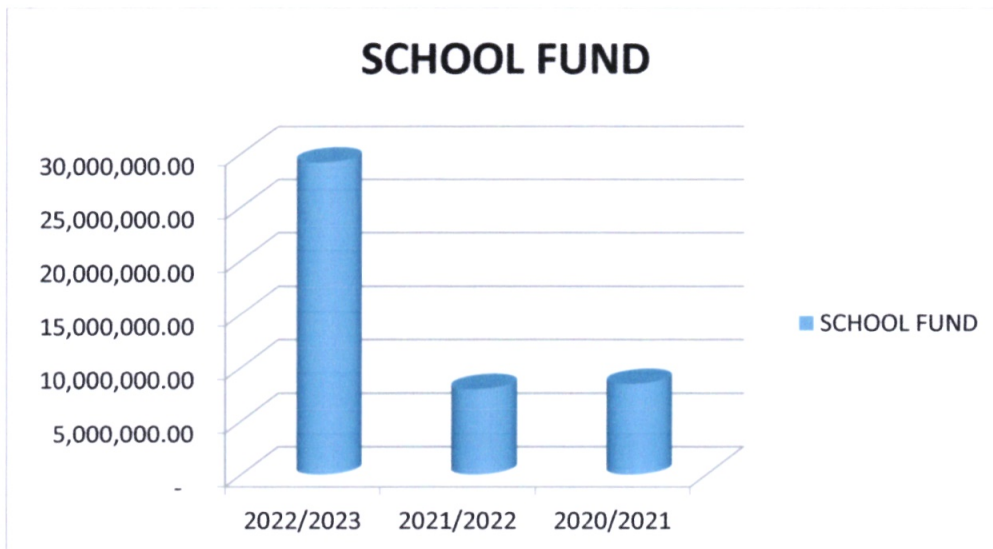
- *Capitation grants from the Ministry of Education for the last three years*

ACCOUNT	2022/2023	2021/2022	2020/2021
TUITION	1,131,556.00	1,156,827.00	484,356.00
OPERATION	5,045,727.00	5,013,771.00	3,382,281.00
TOTAL	6,177,283.00	6,170,598.00	3,866,636.00



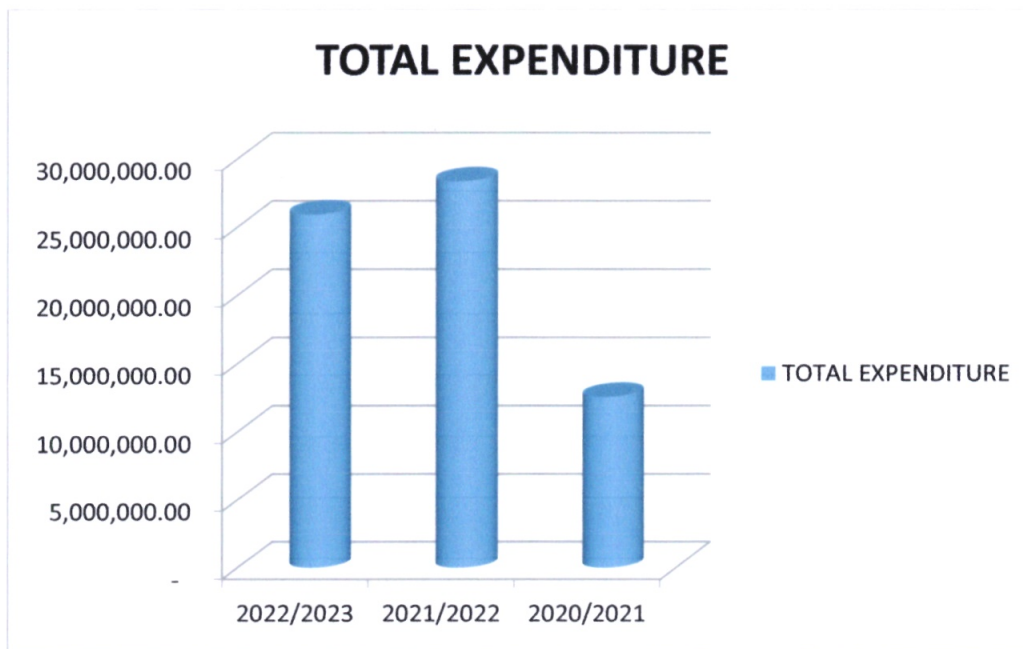
- A three-year overview of growth of other income(s) earned by the school.

ACCOUNT	2022/2023	2021/2022	2020/2021
SCHOOL FUND	34,069,896.00	23,480,690.00	7,963,144.00



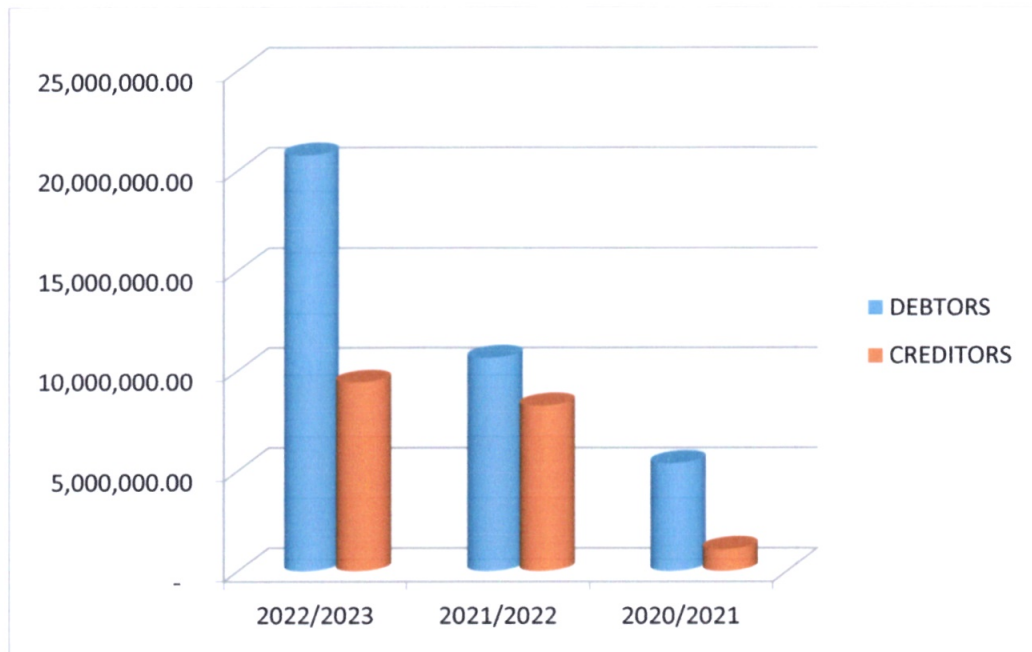
- A three-year overview of growth in expenditure of the school

DETAILS	ACCOUNT	2022/2023	2021/2022	2020/2021
EXPENDITURE	TUITION	1,001,244.00	1,051,920.00	341,085.00
	OPERATION	4,598,079.00	5,420,652.00	3,298,270.00
	S. FUND	19,088,203.00	22,208,448.00	8,297,873.00
	TOTAL	24,687,526.00	28,681,020.00	12,067,228.00



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

DETAILS	2022/2023	2021/2022	2020/2021
DEBTORS	25,067,579.00	11,356,199.00	5,572,320.00
CREDITORS	7,293,257.00	8,252,666.00	4,211,947.00



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).

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).

<i>DETAILS</i>	<i>2022/2023</i>	<i>2021/2022</i>	<i>2020/2021</i>
<i>Teachers recruited</i>	<i>22</i>	<i>22</i>	<i>24</i>
<i>Teachers posted</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>TOTAL</i>	<i>22</i>	<i>22</i>	<i>24</i>
<i>Transferred</i>	<i>0</i>	<i>0</i>	<i>2</i>
<i>No of teachers available</i>	<i>22</i>	<i>22</i>	<i>22</i>
<i>No. of students</i>	<i>420</i>	<i>380</i>	<i>378</i>
<i>Students to teachers ratio</i>	<i>19</i>	<i>18</i>	<i>18</i>

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.

DETAILS	2022/2023	2021/2022	2019/2020
MEAN GRADE	4.88	4.53	4.625
Comment	+0.35	-0.087	+ 0.761
C+ AND ABOVE	11	13	15

d) Number of Candidates in the 2022 KCSE:

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

DETAILS	2022/2023	2021/2022	2019/2020
No. of students	62	80	120

c) 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 FACILTIES RATIO
Classrooms	420	10	42
Dormitories	420	5	84
Dining hall	420	1	420
laboratories	420	2	210
Latrines	420	25	17
Kitchen	420	1	420

f). Development projects carried out by the school:

(Development projects carried out in the year and on-going projects including a disclosure of project fund sources in a tabular format).

project	Source of funds	status	Initial costs Ksh.	Amount spent Ksh.	Expected completion time
Re-roofing of smasse block	Infrastructure Grant	completed	963,786.00	680,076.00	31/12/2022
One. No. classroom	MOE- CBC	Completed	800,000.00	800,000.00	31/12/2022
CCTV CAMERAS	RMI.	Completed	683,100.00	300,000.00	31/08/2022
TOTAL			2,446,886.00	1,780,076.00	


.....
School Principal

16/9/2024



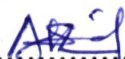
16. Statement of School Management Responsibility

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 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).

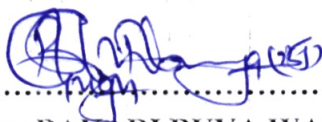
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.



.....
Name: ALI KALIANI SAIDI

Designation: Chairman, School Board of Management

Date: 16/09/2024



.....
Name: BAKARI BUYA WATTO

Designation: School Principal & Secretary to Board of Management

Date: 16/09/2024



.....
Name: SILVANO BABO BENJAMIN

Designation: Bursar/ Finance Officer

Date: 16/09/2024

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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, 2023 - 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 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 22, which comprise the statement of assets and

liabilities as at 30 June, 2023, 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 School as at 30 June, 2023 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, 2023 reflects total receipts of Kshs.35,614,989 and total payments of Kshs.25,909,686. 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			
Capitation Grant for Operations	5,331,726	4,025,727	1,305,999
Capitation Grant for Infrastructure	28,403,512	1,020,000	27,383,512
Parents Contribution /Fees	748,195	33,321,701	(32,573,506)
Miscellaneous Income	-	748,195	(748,195)
Payments			
Payments for Tuition	989,181	1,001,244	(12,063)
Payments for Operations	4,738,008	3,918,003	820,005
Payments for Infrastructure	20,182,497	680,076	19,502,421
Boarding and School Fund Payments	-	19,088,203	(19,088,203)

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

2. Inaccuracies of Capitation Grants

The statement of receipts and payments reflects capitation grants for operations amount of Kshs.5,331,726 as disclosed in Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs.1,303,856 whereas the NEMIS capitation reflects an amount of Kshs.1,345,856 resulting to an unexplained variance of Kshs.42,000.

In the circumstances, the accuracy and completeness of capitation grants for operations of Kshs.5,331,726 could not be confirmed

3. Unsupported Accounts Receivables

The Statement of financial assets and liabilities reflects a figure of Kshs.20,777,970 for accounts receivables as disclosed in Note 13 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.20,777,970 could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities as at 30 June, 2023 reflects accounts payables balance of Kshs.9,415,202. However, the following issues were noted;

- i. The Accounts payables balance of Kshs.9,415,202 has not been disclosed under Note 14. The Note shows accounts payables amount of Kshs.8,252,666 for the financial year 2021/2022. In addition, the Ageing Analysis in Note 14a. shows a total of Kshs.7,296,557 resulting to unexplained variance of Kshs.2,118,645.
- ii. The accounts payables balance of kshs.9,415,202 was not supported with documents including creditors' ledgers, invoices and prepaid fees documents.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.9,415,202 could not be confirmed.

The audit was conducted in accordance with Intranational Public Sector Accounting Standard (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.37,142,900 and Kshs.35,614,989 respectively, resulting to an under-funding of Kshs.1,527,911 or 4.12% of the budget. However, the School spent Kshs.25,909,686 against actual receipts of Kshs.35,614,989 resulting to an under-utilization of Kshs.9,705,303 or 27.25% 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, 2023.

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 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. Late Submission of Financial Statements for Audit

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 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2023 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. Failure to disclose account numbers under Note 10
- 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 of 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.35,614,989 and Kshs.25,909,686 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.5,331,726 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.1,684,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.1,020,000 was transferred to infrastructure account, leaving a balance of Kshs.664,000 as at 30 June 2024. 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 a nil amount on boarding and school fund payments. However, note 9 to the financial statements reflects Boarding and School Fund payments of Kshs.20,182,497. Included in the expenditure is an amount of Kshs.208,160 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.208,160 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 states that, 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.66,857,000 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. Failure to Supply 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 was to distribute 269 copies of *Nguu za Jadi* while records maintained by the school revealed no delivery of these books was done.

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

4. Management of Assets

4.1 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 Finance Management (National Government) Regulations, 2015.

4.2 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 view of the above, 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 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 the 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 conclusion are based on the audit evidence obtained up to date of my audit report. However, further events or condition may cause the School to cease to continue to sustain its services.

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 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 control that are identified during the audit.

I also provide the 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


25 September, 2024

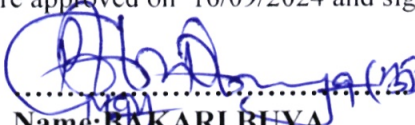
Report of the Auditor-General on Hola Boys Secondary School for the year ended 30 June, 2023 – Tana River County


18. Statement Of Receipts and Payments For the Year Ended 30th June 2023

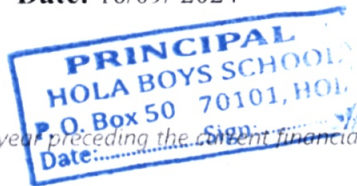
Description Of Vote Head	Note	2022-2023	2021-022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,131,556.00	1,156,827
Government grants for operations	2	4,025,727.00	5,013,771
Government Grants for infrastructure	3	1,020,000.00	0
School fund income- parents' contributions	4	33,321,701.00	22,078,457.00
Miscellaneous incomes	5	748,195.00	1,402,233.00
Total Receipts		40,247,179.00	29,651,288.00
Payments			
Tuition	6	1,001,244.00	1,051,920 .00
Operations	7	3,918,003.00	5,420,652.00
Infrastructure	8	680,076.00	0
Boarding and school fund	9	19,088,203.00	22,208,448.00
Total Payments		24,687,526.00	28,681,020.00
Surplus/Deficit		15,559,653.00	970,268.00

The school financial statements were approved on 16/09/2024 and signed by:


 Name: ALI KALIANI SAIDI
 Chair BOM
 Date: 16/09/ 2024


 Name: BAKARI BUYA WATTO
 School Principal/ Secretary to BOM
 Date: 16/09/ 2024


 Name: SILVANO BABO BEJAMIN
 Bursar/ Finance Officer
 Date: 16/09/ 2024




(Comparative FY refers to the financial year preceding the current financial year.)

19. Statement of Assets and Liabilities As At 30th June 2023

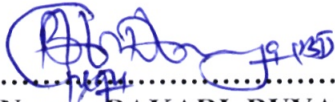
Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,046,568.00	546,480.00
Cash balances	11	33,041.00	45,005.00
Short term investments	12	-	-
Total cash and cash equivalent		2,079,609.00	591,485.00
Account's receivables	13	24,468,319.00	11,356,199.00
Total financial assets		26,547,928.00	11,947,684.00
Financial liabilities			
Accounts payables	14	7,293,257.00	8,252,666 .00
Net financial assets		<u>19,254,671.00</u>	<u>3,695,018.00</u>
Represented by			
Accumulated fund b/fwd	15	3,695,018.00	2,724,750.00
Surplus/deficit for the year		15,559,653.00	970,268.00
Net financial position		<u>19,254,671.00</u>	<u>3,695,018.00</u>

The school's financial statements were approved on 16/09/ 2024 and signed by:


 Name: ALI KALIANI SAIDI

Chair BOM

Date: 16/09/ 2024


 Name: BAKARI BUYA WATTO

School Principal/ Secretary to BOM

Date: 16/09/ 2024


 Name: SILVANO BABO BENJAMIN

Bursar/ Finance Officer

Date: 16/09/ 2024

(Comparative FY refers to the financial year preceding the current Financial year.

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

Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,131,556.00	1,156,827.00
Government grants for operations		4,025,727.00	5,013,771.00
Government grants for infrastructure		1,020,000.00	-
School fund income- parents contributions/ fees		22,419,629.00	17,382,817.00
Other income		748,195.00	1,402,233.00
Total receipts		29,345,107.00	24,955,648.00
Payments			
Cash outflows for tuition		1,001,244.00	1,051,920.00
Cash outflows for operations		3,004,422.00	5,420,652.00
Cash outflows Boarding/lunch and school fund payments		22,871,241.00	18,255,968.00
Total payments		26,876,907.00	24,728,540.00
Net cash inflow/outflow from operating activities		2,468,200.00	227,108.00
Cash flow from investing activities		-	-
Acquisition of assets		(980,076.00)	-
Proceeds from sale of Assets		-	-
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		(980,076.00)	-
Cash flow from Financing activities		-	
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		1,488,124.00	227,108.00
Cash and cash equivalent at beginning of the FY		591,485.00	364,376.00
Cash and cash equivalent at end of the FY		2,079,609.00	591,485.00

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(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).

The school's financial statements were approved on 16/09/ 2024 and signed by:

ARJ

Name: API KALIANI SAIDI

Chair BOM

Date: 16/09/ 2024

[Handwritten signature]

Name: BAKARI BUYA
WATTO

School Principal/ Secretary to
BOM

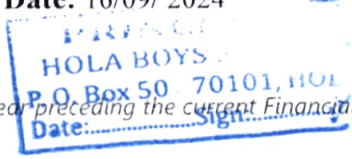
Date: 16/09/ 2024

[Handwritten signature]

Name: SILVANO BABO
BEJAMIN

Bursar/ Finance Officer

Date: 16/09/ 2024



(Comparative FY refers to the financial year preceding the current financial year.)

20. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	-	-	-	-	
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	1,131,556.00		1,131,556.00	1,131,556.00	100%
Chalks					
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	2,400,000.00		2,400,000.00	2,074,638.00	86%
Repairs And Maintenance	2,000,000.00		2,000,000.00	1,684,000.00	84%
Local Transport / Travelling	400,000.00		400,000.00	0.00	0%
Electricity And Water	650,000.00		650,000.00	630,494.00	97%
Medical	83,500.00		83,500.00	83,500.00	100%
Administration Costs	400,000.00		400,000.00	330,694.00	83%
Activity	242,400.00		242,400.00	242,400.00	100%
Gratuity	-				

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
	-				
3) FDSE for infrastructure					
Maintenance & Improvement MoE	2,000,000.00	-	2,000,000.00	1,020,000.00	84%
M&I parents' contribution	1,500,000.00	-	800,000.00	1,430,756.00	95%
Economic Stimulus Programs	-	-	-	-	
Transition Infrastructure Grants	-	-	-	-	
Administration Block	-	-	-	-	
(4) Fees Charged on Parents					
Personnel Emoluments	7,400,000.00		7,400,000.00	7,269,959.00	98%
Repairs And Maintenance	-		-	-	
Local Transport / Travelling	1,200,000.00		1,200,000.00	1,121,370.00	93%
Electricity And Water	1,800,000.00		1,800,000.00	1,803,483.00	100%
Medical	-		-	-	
Administration Costs	6,306,205.00		6,306,205.00	6,306,205	100%
Activity	600,000.00		600,000.00	503,140.00	84%
SMASSE	-		-	-	
Fee On Boarding Equipment and Stores	15,000,000		15,000,000	14,886,788	99%
5) Miscellenous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	600,000.00		600,000	552,245	92.0%
Insurance Compensation	-	-	-	-	

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Income From Posho Mill		-	0	-	
Income From Bus Hire	180,000.00	-	180,000	171,950	96%
Fee For Hire of Ground and Equipment	30,000.00	-	600,000	0	80%
Interest Income		-	-		
Income From Any Other Investment	24000	-	24000	24000	100%
Total Income	37,159,400		37,159,400	40,247,179.00	108%
(6) Expenditure For Tuition					
Textbooks/ Reference Materials		-			
Exercise Books	23,000.00	-	23,000.00	23,000.00	100%
Laboratory Equipment	3,36,178.00	-	336,178.00	336,178.00	100%
Internal Exams	42,000.00	-	42,000.00	42,000.00	100%
Teaching / Learning Materials	590,940.00	-	590,940.00	590,940.00	100%
Chalks	3,000.00	-	3,000.00	3000.00	100%
Exams And Assessment	0.00	-	0.00	0	0%
Teachers Guides		-	-		
Administration Costs	6126	-	6126	6,126	100%
Bank Charges	0	-	-		
(7) Expenditure For Operations					
Personnel Emoluments	2,400,000.00	-	2,400,000.00	2,241,941	93%
Repairs, Maintenance & Improvements	2,000,000.00	-	2000000	727,339.00	36%
Local Transport / Travelling	400,000.00	-	400,000.00	244,300	61%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	650,000.00	-	650,000.00	221,380	34%
Medical	83,500.00	-	83,500.00	0	0.0%
Administration Costs	400,000.00	-	400,000.00	317,533.00	79%
Activity Expenses	288,400.00	-	288,400.00	165,510.00	92%
Gratuity		-	-	-	
SMASSE		-			
(8) Expenditure For infrastructure					
Construction of classrooms- repairs	1,020,000.00		1,020,000.00	680,076.00	67%
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment	0.00		0.00	0	0%
Purchase of machinery -OTHERS	1,780,000.00		1,780,000.00	0	35%
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	7,400,000.00	-	7,400,000.00	4,151,964	35%
Repairs, Maintenance and Improvements	1,500,000.00	-	-	688,839	0.0%
Local Transport / Travelling	1,200,000.00	-	1,200,000.00	739,272	56%
Electricity, Water and Conservancy	1,800,000.00	-	1,800,000.00	2,121,472	0.0%
Medical Expenses	-	-	-	-	62%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs	1,400,000.00	-	1,400,000.00	1,235,016.00	88%
Activity	600,000.00	-	600,000.00	1,137,350	0.0%
Gratuity	230,000.00	-	230,000.00	230,000	100.0%
Lunch Programme	-	-	-	-	
Boarding Equipment and Stores	15,000,000.00	-	15,000,000.00	8,445,081	64%
Expenditure For Income Generating Activity	810,000	-	810,000.00	326,607	40%
Insurance Costs	-	-	-	-	
Other Expenses On Investments		-	-	-	
Rent Expenses		-	-	-	
Bank Charges	--		-	-	
Loan Interest Repayment	-	-	-	-	
Loan Principal Repayment	-	-	-	-	
Acquisition Of Assets	-	-	-	-	
Totals	37,159,400.00	-	37,159,400.00	28,086,827.00	76%

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

- i. Xxx
- ii. Xxx

21. 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

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.

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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

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 2023.

22. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	1,131,556.00	1,156,827.00
Chalks		
Exams and assessment		
Total	1,131,556.00	1,156,827.00

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,074,638.00	2,304,324.00
Repairs And Maintenance	1,684,000.00	1,854,000.00
Local Transport / Travelling	0.00	320,476.00
Electricity And Water	630,494.00	396,594.00
Medical	83,500.00	-
Administration Costs	330,694.00	138,377.00
Activity	242,400.00	-
Total	5,045,727.00	5,013,771.00

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	1,020,000.00	0.00
Transition infrastructure grants		-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	1,020,000.00	0.00

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	7,269,959.00	3,306,073.00
Repairs and maintenance	1,430,756.00	1,320,211.00
Local transport / travelling	1,121,370.00	362,539.00
Electricity and water	1,803,483.00	2,176,794.00
Medical	-	-
Administration costs	6,306,205.00	1,201,416.00
Activity	503,140.00	271,970.00
Fee on Boarding Equipment and stores	14,886,788.00	13,439,454.00
Total	33,321,701.00	22,078,457.00

**Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	552,245.00	1,208,733.00
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	171,950.00	113,000.00
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Tender fees	24,000.00	80,500.00
Total	748,195.00	1,402,233.00

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

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

**Indicate what other income relates to including income arising from writebacks if any.*

Notes to the Financial Statements (continued)

6 Payments for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise books	23,000.00	8000.00
Laboratory Equipment	336,178.00	387,839.00
Teaching / Learning Materials	590,940.00	653,149.00
Internal exams	42,000.00	0
Exams And Assessment	0.00	0
chalks	3000.00	0
Teachers Guides	00	00
Bank Charges	6,126	2,932.00
Total	1,001,244.00	1,051,920.00

7 Payments for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,241,941.00	2,114,935.00
Service Gratuity	-	260,000.00
Administration Cost	317,833.00	852,613.00
Repairs And Maintenance & Improvements	727,339.00	1,160,424.00
Local Transport / Travelling	244,300.00	506,800.00
Electricity And Water	221,380.00	525,880.00
Medical	0	-
Activity Expenses	165,510.00	-
	-	-
Total	3,918,003.00	5,420,652.00

Notes to the Financial Statements (continued)

8 Payments for Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others- 2 class room renovation	680,076.00	-
Total	680,076.00	

9 Payments for Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	4,151,964.00	4,074,045.00
Service Gratuity	230,000.00	-
Repairs And Maintenance & Improvements	688,839.00	953,973.00
Local Transport / Travelling	739,272.00	865,050.00
Electricity And Water	2,121,472.00	1,692,870.00
Medical Expenses	-	-
Administration Costs	1,235,016.00	1,574,928.00
Lunch Programme	-	-
Bank Charges	12,602.00	-
Expenses On Income Generating Activities**	326,607.00	326,600.00
Fee On Boarding Equipment and Stores	8,445,081.00	12,393,492.00
Rent Expenses	0	0
Insurance Cost (<i>Life Property</i>)	0	0
Loan Principal Repayment	0	0
Loan Interest Repayment	0	0
Acquisition Of Assets	0	0
Activity expense	1,137,350.00	327,490.00
Total	19,088,203.00	22,208,448.00

(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. 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)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104556642	287,239.00	156,927.40
Operations Account	Active	1104548119	354,148.00	2,948.00
School Fund Account/Boarding	Active	1104556898	430,559.00	170,836.80
Savings Account	Active	1259814459	57,492.00	55,928.25
Parent Association Development Account	N/A	-	0	0
Income Generating Activities Account	Active	1259814440	67,848.00	67,848.00
Infrastructural Account	Active	1104557207	849,282.00	91,991.85
Total			2,046,568.00	546,480.00

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	33,040.00	45,005.00
Total	33,040.00	45,005.00

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13. Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	24,468,319.00	11,356,199.00
Other Non-Fees Receivables		-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	24,468,319.00	11,356,199.00

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	19,143,805.00	76%	5,707,536.00	54%
Between 1- 2 years	3,607,956.00	16%	1,425,063.00	13%
Between 2-3 years	1,677,210.00	7%	1,267,900.00	12%
Over 3 years	39,348.00	1%	2,955,700.00	21%
Total (should tie to note 13 a)	24,468,319.00	100%	11,356,199.00	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,179,943.00	6,120,914.00
Prepaid Fees	1,113,314.00	2,131,752.00
Retention Monies	-	-
	7,293,257.00	8,252,666.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,873,013.00	78%	3,962,320.00	65%
Between 1- 2 years	948,230.00	15%	2,000,936.00	33%
Between 2-3 years	358,700.00	7%	157,658.00	3%
Over 3 years	0		-	0%
Total (should tie to note 14)	6,179,973.00	100%	6,120,914.00	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	546,480.00	305,883.00
Cash Balances	45,005.00	58,493.00
Short Term Investments	-	-
Receivables	11,356,199.00	5,572,320.00
Payables	(8,252,666)	(4,211,974.00)
Total	3,695,018.00	2,724,749.00

Other important disclosure notes.

IPSAS Cash Standard 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.

16 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

Other important disclosure notes

19, Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	270,000.00	505,447.00
Lab consumables	700,000.00	352,235
Farm produce		
Medication		
Construction Materials		
Others (specify)		
	970,000.00	857,682.00

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

20 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

Principal

16/9/2024

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

23. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
.Construction Of Buildings						
1. Ramisi constructions co.	963,786.00	02/09/2022	680,076.00	283,710.00	-	
Sub-Total	963,786.00	0	680,076.00	283,710.00	0	
Supply Of Goods						
2.ESTMUNZY GENERAL SUPPLIES	249,750.00	30/06/2022	183,750.00	282,000.00	0	ACTIVE SUPPLIER
3.BABA SAFI BUTCHERY	852,057.00	30/06/2022	250,000.00	602,057.00	0	IN ACTIVE SUPPLIER
4.SHAFAT AHMED RAMA BUTCHERY	556,700	30/06/2020	556,700.00	0	0	CLEARED
5.NINJURE INVESTMENTS	486,070.00	30/06/2022	150,000.00	336,070.00	0	IN ACTIVE SUPPLIER
6.SIMAAR GENERAL SUPPLIES	3,222,650	30/06/2022	2,213,450	1009200	0.00	In active supplier
7.WILKATNZ ENTERPRISES	357,750.00	30/06/2022	150,000.00	207,750.00	0	ACTIVE SUPPLIER
8.NANGELEKELE ENTERPRISES	129,040.00	04/01/2022	129,040.00	0	0	CLEARED
9.HOLA HARDWARE	133,000.00	30/06/2022	96,050.00	86,950.00	0	ACTIVE SUPPLIER
10.SALKOM INVESTMENTS	139,500.00	30/06/2022	30,000.00	109,500	0.00	ACTIVE SUPPLIER
11.KENMU MOTORS	341,550.00	30/06/2022	180,550.00	161,000.00	0	ACTIVE SUPPLIER
12. HABSONS CONSTRUCTIONS	380,000.00	30/06/2022	304,000.00	76,000.00	0	IN ACTIVE SUPPLIER
13. ABSAKA BUILDING AND	386,870.00	30/06/2022	50,000.00	336,870.00	0.00	IN ACTIVE SUPPLIER

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
CONSTRUCTIONS CO.						
14.PASYQUEL INVESTMENTS	750,630.00	30/06/2022	525,000.00	225,630.00	0	ACTIVE SUPPLIER
15.WORKPOINT WORKSHOP	405,000.00	04/01/2022	100,000.00	305,000.00	305,000.00	IN ACTIVE
16. LINUX DIGITAL OPTIONS	683,100.00	8/18/2022	300,000.00	383,100.00	0	IN ACTIVE SUPPLIER
17. MALINDI PEST CONTROL	53,700.00	04/01/2022	53,700.00	0	0	CLEARED.
18. NAIROBI SPORTS HOUSE	124,030.00	04/01/2022	124,030.00	0	0	CLEARED.
19. BONSTECH COMPUTERS	211,500.00	9/11/2022	39,000.00	172,500.00	172,500.00	IN ACTIVE SUPPLIER
20. JETLINK EDUC ENTERPRISES	10,000.00	30/06/2022	10,000.00	0	10,000.00	IN ACTIVE SUPPLIER
21.KCB BANK INSURENCE	106,427.00	9/3/2023	69,178.00	37,249.00	0	ACTIVE SUPPLIER
22.COLORADO FASHIONS	58,600.00	30/06/2022	17,600.00	41,000.00	0	ACTIVE SUPPLIER
23.ANGAZA POSHO MILL	5,670.00	30/06/2023	5670.00	0	0	CLEARED
24. KOMPITECH ENTERPRISES	11,000.00	30/06/2023	11,000.00	0	0	CLEARED
25. LIHUB BULLAH ENTERPRISES	44,000.00	04/01/2022	44000.00	0	0	CLEARED
26. JABIMA COMTELEX	10,800.00	30/06/2023	10800.00	0	0	CLEARED
27.ROMZEE ENTERPRISES	409,682.00	01-07-22	224,178.00	185,504.00		ACTIVE SUPPLIER
28..DAVCO STATIONERY	70100.00	04/01/2022	0	70100.00	70,100.00	IN ACTIVE SUPPLIER
Sub Total	11,337,005.00		6,507,772.00	4,627,296.00	557,600.00	
Supply Of Services						
1. NADHOYO INVESTMENTS	759,200.00	04/01/2022	435,000.00	324,200.00	0	ACTIVE SUPPLIER
2. JOYASKI TANA TECHNICAL AGENCY	534,700.00	04/01/2022	150,000.00	384,700.00	222,250.00	ACTIVE SUPPLIER

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
3. HIGH TECHNIC WELDERS	220,600.00	2/4/2023	0	220,600.00	0	IN ACTIVE SUPPLIER
4. BOM STAFF JUNE SALARY	506,140.00	01/06/2022	506,140.00	0	0	CLEARED.
5. BOM STAFF GRATUITY	1,393,147.00	22/02/2022	770,000.00	623,147.00	527,170.00	
6. SAMSON OMARA	1350.00	30/06/2023	1350.00	0	0	CLEARED
Sub-Total	3,415,137.00		770,000.00	1,552,647	749,420.00	
Grand Total	15,425,065.00		8,370,262.00	6,179,943.00	1,307,020	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land 1		HOLA	31 ACRES	-	-	31 ACRES
Land 2		N/A				N/A
Buildings And Structures		HOLA	54,000,000.00	1,763,786.00	-	55,763,786.00
Motor Vehicles		HOLA	2,800,000.00		-	2,800,000.00
Office Equipment, Furniture And Fittings		HOLA	4,400,000.00			4,400,000.00
ICT Equipment, And Other ICT Assets		HOLA	1,754,100.00	683,100.00		2,437,200.00
Tools And Apparatus		HOLA	1,800,000.00			1,800,000.00

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Textbooks		HOLA	800,000.00			800,000.00
Other Machinery And Equipment		HOLA	150,000.00	-		150,000.00
Heritage And Cultural Assets		HOLA	0	-		0
Intangible Assets- Soft Ware		HOLA	350,000.00	-		350,000.00
Total			66,857,000.00	2,446,886.00		69,303,886.00

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