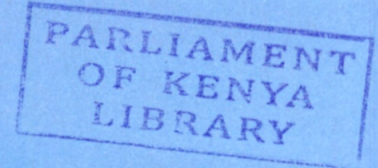


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**


**THE AUDITOR-GENERAL**

**ON**

**LAMU GIRLS SECONDARY SCHOOL**

**FOR THE SIX (6) MONTHS' PERIOD  
ENDED 30 JUNE, 2021**

**LAMU COUNTY**

 THE NATIONAL ASSEMBLY PAPERS LAID		
DATE:	03 DEC 2024	DAY: Tuesday
TABLED BY:	Hon. Kimani Ichung'wah (Leader of the Majority Party)	
CLERK-AT THE-TABLE:	Anastacia	



*Revised 30<sup>th</sup> June 2021.*



**LAMU GIRLS SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

---

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

LAMU GIRLS SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021

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*LAMU GIRLS SECONDARY SCHOOL*  
**Annual Report and Financial Statements**  
**For the year ended *30<sup>th</sup> June 2021***

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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 Lamu County, Central Sub-County

The school was registered in **February 2021** under registration number 05S3000203 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 575 number of students as at **30<sup>th</sup> June 2021** It has 4 streams and 33 teachers of which 15 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:

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Salim Bunu	Chairman	17 th October, 2019
2	Jamilah Mohamed	Secretary - Principal	17 th October, 2019
3	Agnes Wamwirua Kibuchi	Member	17 th October, 2019
4	Shadya Wazir Abbas	Member	17 th October, 2019
5	Aboud Bahero	Member	17 th October, 2019
6	Sauda Kassim Kupa	Member	17 th October, 2019
7	Mwanahawa .M. Salim	Member	17 th October, 2019
8	Omar Bwana Mohammed	Member – Rep CEB	17 th October, 2019
9	Simon Omwoha Osimbo	Member Rep Teachers	17 th October, 2019
	Aisha Mohammed Lali Fuad Sheyumbe		
10	Mary Njoki	3 Members - Sponsor	17 th October, 2019
11	Abdulfatah Kassim	Member - Community	17 th October, 2019
12	Ahmed Adnan Mudhir	Member Special Needs	17 th October, 2019
13	Ummu Laly Kassim	Rep Students	17 th October, 2019

**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	1. Salim Bunu 2. Jamilah Mohamed 3. Lucy Osiyo 4. Fuad Sheyumbe 5. Aboud Bahero	Chairman Secretary Member Member Member	2 out of 2 2 out of 2 1 out of 2 2 out of 2 2 out of 2
2	Audit Committee			X out of XX
3	Finance, procurement and general purposes Committee	<b>Mwanahawa Salim</b> Salim Bunu Jamilah Mohamed Shadya Wazir Agness Kibicho	Chair Person Member Secretary Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	Aboud Bahero Sauda Kasim Lucy Osiyo Mary Njoki Jamilah Mohamed Salim Bunu Miriam Kiai	Chairman Member Member Member Secretary Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
5	Development Committee	Fuad Sheyumbe Jamilah Mohamed Salim Bunu Khalifa Abubakar	Chairman Secretary Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2

*LAMU GIRLS SECONDARY SCHOOL*  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

6	Discipline and welfare Committee	Sauda Kassim Aboud Bahero Naima Faruk Mwanahawa Salim Ahmed Omar Mohamed Salim Bunu Jamila Mohamed	ChairPerson Member Member Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
---	----------------------------------	--	---	--

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Jamilah Mohamed	437735
2	Deputy Principal	Naima Farouk	704840
3	School Bursar	Jacob Maskat	ID 8296104

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 88- 80500 - Lamu  
Telephone: 0717466605  
E-mail: lamugirls71@gmail.com  
Website: www.lamugirls.sc.ke  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 8 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: Lamu  
Account Number: 1104752484
2. Name of Bank: KCB  
Branch: Lamu  
Account Number: 1104752581
3. Name of Bank: KCB  
Branch: Lamu  
Account Number; 1104752204
4. Name of Bank: KCB  
Branch: Lamu  
Account Number; 1223821072
5. Name of Bank; EQUITY  
Branch; Lamu  
Account Number: 1590281047988
6. Name of Bank: EQUITY  
Branch: Lamu  
Account Number: 1590262207827
7. Name of Bank: EQUITY  
Branch; Lamu  
Account Number: 150263348044
8. Name of Bank: EQUITY  
Branch Lamu  
Account Number: 1590281047973

**(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:

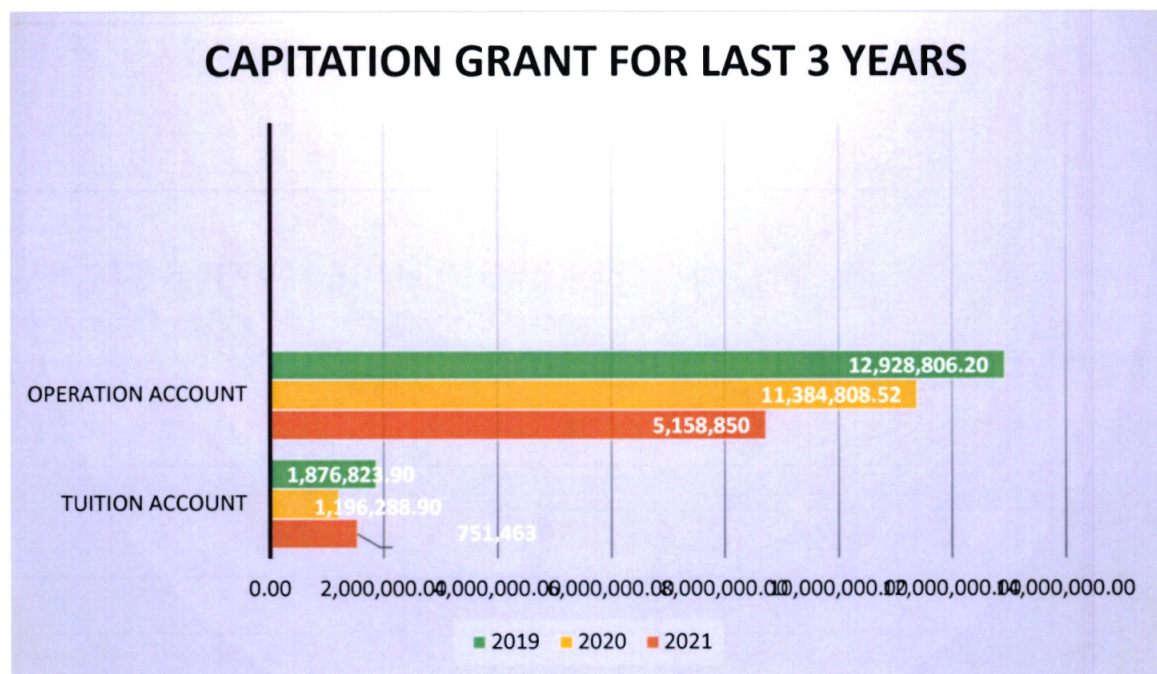
*Under this section, the following information should be given:*

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

S/N	ACCOUNT	2021	2020	2019
1	TUITION ACCOUNT	(67,431)	(666,880)	(690,198)
2	OPERATION ACCOUNT	(5,377,565)	2,108,272	9,360,479
3	MAIN ACCOUNT	(2,549,965)	784,590	6,844,441

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

S/N	ACCOUNT	2021	2020	2019
1	TUITION ACCOUNT	751,463	1,196,289	1,876,824
2	OPERATION ACCOUNT	5,158,850	11,384,809	12,928,806



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

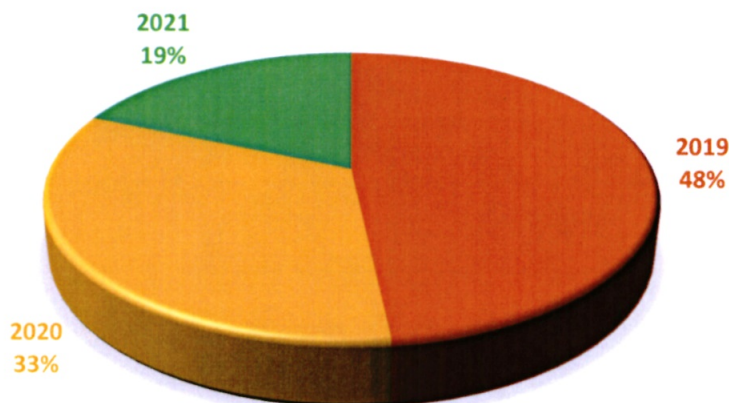
S/N	ACCOUNT	2021	2020	2019
1	TUITION ACCOUNT	1,307	2,091	3,412
2	OPERATION ACCOUNT	8,972	19,904	23,507

S

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

S/N	ACCOUNT	2021	2020	2019
1	MAIN ACCOUNT	14,681,330	26,200,793	38,208,737

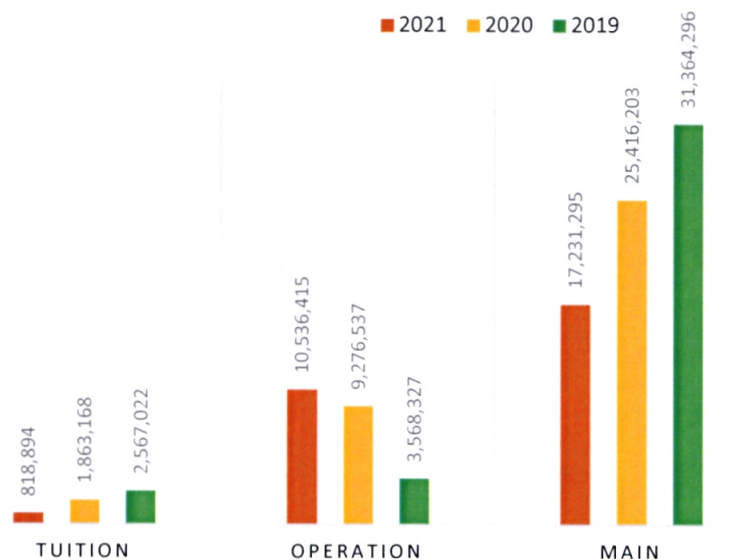
### GROWTH OF INCOME IN THE SCHOOL



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

S/N	ACCOUNT	2021	2020	2019
1	TUITION	818,894	1,863,168	2,567,022
2	OPERATION	10,536,415	9,276,537	3,568,327
3	MAIN	17,231,295	25,416,203	31,364,296

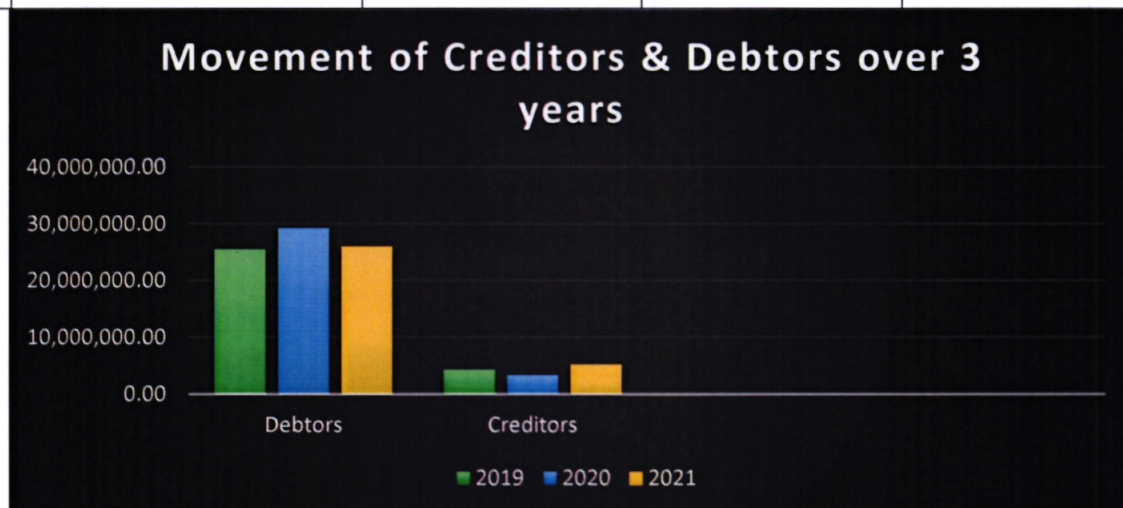
### EXPENDITURE OVER 3 YEARS



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

**LAMU GIRLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

S/N	PARTICULARS	2021	2020	2019
1	DEBTORS	25,651,813	29,298,853	25,517,884
2	CREDITORS	4,246,614	3,319,553	4,341,740



S

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

S/N	PARTICULARS	2021	2020	2019
1	CASH ON HAND	338,453	68,885	151,225
2	CASH AT BANK	14,282,514	17,972,942	5,818,944

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

b) **Teacher Student ratio:**

1. Teacher to Student ratio	17
2. Number of teachers recruited/posted to the school within the year.	Nil
3. Number of teachers transferred during the year.	Nil
4. Number of teachers retired during the year.	Nil
5. Number of teachers employed by TSC.	18
6. Number of teachers employed by BOM.	7

LAMU GIRLS SECONDARY SCHOOL  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

7. Subject Allocation;	(i) Maths	8
	(ii) English	6
	(iii) Kiswahili	7
	(iv) Chemistry	6
	(v) Biology	7
	(vi) Physics	5
	(vii) Business studies	4
	(viii) Agriculture	2
	(ix) Geography	4
	(x) History and Government	5
	(xi) CRE	4
	(xii) IRE	5
	(xiii) Compute	2
	(ix) Arabic	1
<b>N/B: The school has a shortage in the following subject:</b>		

-teacher student ratio – 1 : 17

-Number of teachers 36 – 22 employed by TSC and 14 BOM

c) **Mean score in the 2020 KCSE:**

Year	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	Mean Score	Grade	Univ trans
2018	-	-	-	2	5	3	10	26	42	26	4	-	4.4	D+	10
2019	-	-	2	6	7	17	25	34	19	11	3	-	5.5	C	32
2020	-	-	1	5	11	19	27	23	14	5					36

LAMU GIRLS SECONDARY SCHOOL  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**d) Number of Candidates in the 2020 KCSE:**

Year	No. Enrolment
2018	118
2019	124
2020	105

**e) Capacity of the school:**

<i>S/N</i>	<i>DESCRIPTION</i>	<i>2021</i>
1	<i>Number of students</i>	<i>575</i>
2	<i>Domitories</i>	<i>7</i>
3	<i>Dining Hall</i>	<i>1</i>
4	<i>Laboraories :- ICT Lab</i>	<i>1</i>
	<i>Home Science Lab</i>	<i>1</i>
	<i>Physics Lab</i>	<i>1</i>
	<i>Chemistry/Biology Lab</i>	<i>1</i>
5	<i>Toilets</i>	<i>80</i>
6	<i>Kitchen</i>	<i>1</i>

575 students – 7 Dormitories, Multi - purpose Dinning Hall,3 laboratories, 80 Toilets, 1 library, 16 class-room

**f) Development projects carried out by the school:**

<i>PROJECT</i>	<i>Number</i>	<i>COMPLETED/ONGOING</i>	<i>SOURCE OF FUND</i>
<i>Classrooms</i>	<i>4</i>	<i>completed</i>	<i>MOE</i>

4 number of classrooms.

Sign 

*School Principal*

### III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of *Lamu Girls 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).

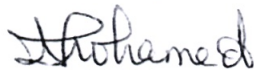
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

**Name:** Salim Bunu  
**Designation:** Chairman, School Board of Management  
**Sign:**



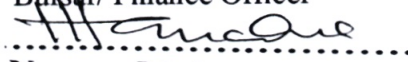
**Date:** 30.06.2021

**Name:** Jamilah Mohamed  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**



**Date:** 30.06.2021

**Name:** Jacob Maskat  
**Designation:** Bursar/ Finance Officer  
**Sign:**



**Date:** 30.06.2021

# REPUBLIC OF KENYA



*Enhancing Accountability*

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON LAMU GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - LAMU COUNTY**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Lamu Girls Secondary School - Lamu County set out at pages 16 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, the statement of receipts and

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*Report of the Auditor-General on Lamu Girls Secondary School for the six (6) months' period ended 30 June, 2021 - Lamu County*

payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 the Lamu Girls Secondary School - Lamu County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months' period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1. Long Outstanding Accounts Receivables**

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.25,651,813 as disclosed in Note 11 to the financial statements. Included in the receivables are fees arrears totalling Kshs.25,483,094. However, Note 11 to the financial statements reflects fees arrears totalling Kshs.25,806,362 which have been outstanding for more than two years. The figure of Kshs.25,806,362 and which is higher than the total disclosed fees arrears of Kshs.25,483,094 may not be correctly stated. Further, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, accuracy and full recoverability of the outstanding receivables balance of Kshs.25,651,813 could not be confirmed.

### **2. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.4,246,614 as disclosed in Note 12 to the financial statements. However, the supporting schedules provided amounted to Kshs.2,797,773 resulting in unreconciled variance of Kshs.1,448,841.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.4,246,614 could not be confirmed.

### **3. Variance in the Financial Statements**

The statement of receipts and payments for the six (6) months' period ended 30 June, 2021 reflects other receipts amounting to Kshs.910,585 as disclosed in Note 4 to the financial statements while the statement of cashflow for the same period reflected an amount of Kshs.1,002,080 resulting in an explained variance of Kshs.91,495.

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

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects the final receipts budget and actual on a comparable basis of Kshs.19,712,718 and Kshs.19,712,718 respectively. However, the School spent Kshs.28,586,604 against actual receipts of Kshs.19,712,718 resulting in an over-expenditure of Kshs.8,873,886 or 45.02%. In addition, the statement of budgeted versus actual amounts reflects the same amount for final budget and actual on comparative basis for all the items. This is an indication that the statement may not be correctly stated. Further, the under-funding and the over-expenditure may be due to incorrect budgeting model.

My opinion is not modified 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.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. 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.17,231,295 as disclosed in Note 7 to the financial statements.

Examination of payment made by the Management revealed transfer of funds amounting to Kshs.100,000 to Kenya Secondary Schools Heads Association (KESSHA) which was not disclosed in the financial statements. 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.100,000 could not be confirmed.

## **2. Failure to Prepare School Improvement Plan**

During the period under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires Schools to identify in every three-year School improvement planning cycle, one priority area in each of the four (4) key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

## **3. Lack of a Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.17,926,179 and Kshs.28,586,604 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. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) 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 pagination of the financial statements
- (ii) Inconsistencies in presentation and disclosure such as variances between amounts disclosed in the statement of receipts and payments and the statement of budgeted versus actual amounts on items which ordinarily would have the same amounts.

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.

#### **5. Late Submission of Financial Statements for Audit**

During the period under review, Management submitted the financial statements to the Auditor-General on 8 March, 2024 instead of the statutory deadline of 30 September, 2021. 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 statement should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statement.

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

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

#### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

##### **Conclusion**

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

##### **Basis for Conclusion**

##### **Lack of Internal Audit Function and Audit Committee**

During the period under review, the School had not constituted a proper audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), Regulations 2015. The regulation requires the internal audit unit of a National Government entity to assess effectiveness of its 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.

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 controls that are identified during the audit.

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 September, 2024

LAMU GIRLS SECONDARY SCHOOL  
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V. STATEMENT OF RECEIPTS AND PAYMENTS FOR SIX MONTHS ENDING TO 30<sup>TH</sup> JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	Jan-June 2021	2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	751,462.75	1,196,288.90
Capitation grants for operations	2	5,158,850.00	11,384,808.52
School Fund Income- Parents' Contributions	3	11,105,282.00	23,616,823.25
School Fund Income- Other receipts	4	910,585.00	2,583,970.00
Proceeds from borrowings		-	-
<b>TOTAL RECEIPTS</b>		<b>17,926,179.75</b>	<b>38,781,890.67</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	818,894.00	1,863,168.40
Payments for operations	6	10,536,415.00	9,276,536.55
Boarding and school fund payments	7	17,231,295.00	25,416,203.45
<b>TOTAL PAYMENTS</b>		<b>28,586,604.00</b>	<b>36,555,908.40</b>
<b>SURPLUS/DEFICIT</b>		<b>(7,994,961.25)</b>	<b>2,225,982.27</b>

The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Sign: 

Name: Salim Bunu

Chair BOM


Date :30.06.2021

Sign 

Name: Jamilah Mohamed

School Principal/  
Secretary to BOM

Date:30.06.2021

Sign 

Name: Jacob Maskat

Bursar/  
Finance Officer

Date:30.06.2021

LAMU GIRLS SECONDARY SCHOOL  
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**VI. STATEMENT OF ASSETS AND LIABILITIES FOR SIX MONTHS ENDING 30<sup>TH</sup> JUNE 2021**

	Note	Jan- June 2021	2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	14,282,514	17,972,941.62
Cash Balances	9	338,453	68,884.65
Short term Investment		-	-
<b>Total Cash and cash equivalent</b>		<b>14,620,967</b>	<b>18,041,826.27</b>
Account's receivables	11	25,651,813	29,298,853.30
<b>TOTAL FINANCIAL ASSETS</b>		<b>40,272,780</b>	<b>47,340,679.57</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	(4,246,614)	(3,319,553.10)
<b>NET FINANCIAL ASSETS</b>		<b>36,026,166</b>	<b>44,021,126.47</b>
<b>REPRESENTED BY</b>			
<b>Accumulated Fund b/fwd</b>	13	44,021,126	41,795,144.20
<b>Surplus/Deficit for the year</b>		(7,994,961)	2,225,982.27
<b>NET FINANCIAL POSITION</b>		<b>36,026,165</b>	<b>44,021,126.47</b>

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

**Name:** Salim Bunu  
*Chairman, BoM*

**Sign:** 

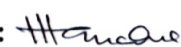
**Date:** 30.06.2021

**Name:** Jamilah Mohamed  
*School Principal/Secretary to BoM*

**Sign:** 

**Date:** 30.06.2021

**Name:** Jacob Maskat  
*Bursar/Finance*

**Sign:** 

**Date:** 30.06.2021

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**VII. STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED 30<sup>TH</sup> JUNE 2021**

		<b>Jan- June -2021</b>	<b>-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Capitation grants for tuition	<b>1</b>	751,463	1,196,288
Capitation grants for operations	<b>2</b>	5,158,850	11,287,983
School fund income- Parents contributions/ fees	<b>3</b>	16,344,713	60,256,918
School fund income- other receipts	<b>4</b>	1,002,080	
<b>Total receipts</b>		<b>23,257,106</b>	<b>72,741,189</b>
<b>Payments</b>			
Payments for Tuition		818,894	2,077,222
Payments for operations		3,058,206	14,376,770
Boarding and school fund payments		14,292,334	56,287,197
<b>Total payments</b>		<b>18,169,434</b>	<b>72,741,189</b>
<b>Net cash flow from operating activities</b>		<b>5,087,671</b>	<b>-</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets		(8,508,531)	-
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from Investing Activities</b>		<b>(8,508,531)</b>	<b>-</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,420,860)</b>	<b>-</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>18,041,826</b>	<b>18,041,826</b>
<b>Cash and cash equivalent at END of the year</b>		<b>14,620,967</b>	<b>18,041,826</b>

*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.*

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

<b>Receipt/expenses Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Text books	0		0	-	-	#DIV/0!
Exercise books	0		0	-	-	#DIV/0!
Laboratory equipments and apparatus	346,921		346,921	346,921	-	100.0%
Teaching/learning materials	404,542		404,542	404,542	-	100.0%
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	1,316,386		1,316,386	1,316,386	-	100.0%
Repairs and maintenance	2,013,125		2,013,125	2,013,125	-	100.0%
Local transport / travelling	391,271		391,271	391,271	-	100.0%
Electricity and water	438,067		438,067	438,067	-	100.0%
Medical	0		0	-	-	#DIV/0!
Administration costs	1,000,001		1,000,001	1,000,001	-	100.0%
<b>(3) FEES CHARGED ON PARENTS</b>						

LAMU GIRLS SECONDARY SCHOOL

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For the year ended 30<sup>th</sup> June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Fee on Boarding	8123635		8,123,635	8,123,635	-	100.0%
Equipment and Stores						
Personnel emoluments	1738244		1,738,244	1,738,244	-	100.0%
Repairs and maintenance	466000		466,000	466,000	-	100.0%
Local transport / travelling	447922		447,922	447,922	-	100.0%
Electricity and water	1834081		1,834,081	1,834,081	-	100.0%
Medical	0		0	-	-	#DIV/0!
Administration costs	1067772		1,067,772	1,067,772	-	100.0%
Activity	1596		1,596	1,596	-	100.0%
PTA Dev	0		0	-	-	#DIV/0!
<b>OTHER INCOME</b>	-					
<i>Rent income</i>	39,250.00		39,250	39,250	-	100.0%
<i>Repayment-Laboratory</i>	22,385.00		22,385	22,385	-	100.0%
<i>Tender</i>	54,000.00		54,000	54,000	-	100.0%
<i>Printing</i>	200.00		200	200	-	100.0%
<i>Infrastructure A/c</i>	-		0	-	-	#DIV/0!
<i>Kessha</i>	5,000.00		5,000	5,000	-	100.0%
<i>Smasse</i>	-		0	-	-	#DIV/0!
<i>Refund</i>	1,000.00		1,000	1,000	-	100.0%
<i>Farm Income</i>	500.00		500	500	-	100.0%
<i>Library-Lost books</i>	820.00		820	820	-	100.0%
<i>Damage Fees</i>	5,475.00		5,475	5,475	-	100.0%
<i>Clinics</i>	80,000.00		80,000	80,000	-	100.0%
<i>uniform</i>	94,350.00		94,350	94,350	-	100.0%
<i>PTA Developments</i>	695,300.00		695,300	695,300	-	100.0%
<i>Welfare</i>	3,800.00		3,800	3,800	-	100.0%

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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
<b>TOTAL INCOME</b>	<b>19,712,718</b>	<b>0</b>	<b>19,712,718</b>	<b>19,712,718</b>	<b>-</b>	<b>100.0%</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Text books	0		0	-	-	#DIV/0!
Exercise books	0		0	-	-	#DIV/0!
Laboratory equipments and apparatus	0		0	-	-	#DIV/0!
Teaching/learning materials	816,719		816,719	816,719	-	100%
chalks	0		0	-	-	#DIV/0!
Internal exams	0		0	-	-	#DIV/0!
Reference books	0		0	-	-	#DIV/0!
Bank charges	2,175		2,175	2,175	-	100%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personal Emoluments	1666719		1,666,719	1,666,719	-	100%
Service Gratuity	0		0	-	-	#DIV/0!
Administration Cost	528071		528,071	528,071	-	100%
RMI	360354		360,354	360,354	-	100%
Maintainance and Improvement	0		0	-	-	#DIV/0!
Local transport / travelling	154200		154,200	154,200	-	100%
Electricity and water	242800		242,800	242,800	-	100%
Medical	1000		1,000	1,000	-	100%
Activity Expenses	100,000		100,000	100,000	-	100%
SMASSE	0		0	-	-	#DIV/0!
Insurance Cost	0		0	-	-	#DIV/0!
Bank Charges	5,062		5,062	5,062	-	100%

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
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Activity	277,295		277,295	277,295	-	100%
Personnel emoluments	1,825,620		1,825,620	1,825,620	-	100%
Repairs and maintenance & Improvements	795,655		795,655	795,655	-	100%
Local transport / travelling	91,880		91,880	91,880	-	100%
Electricity and water	897,192		897,192	897,192	-	100%
Medical Expenses	19,474		19,474	19,474	-	100%
Administration costs	1,873,361		1,873,361	1,873,361	-	100%
Damages	2,700		2,700	2,700	-	100%
Bank Charges	10,553		10,553	10,553	-	100%
Laboratory	244,994		244,994	244,994	-	100%
Fee on Boarding Equipment and Stores	9,298,582		9,298,582	9,298,582	-	100%
Peace Club	3,200		3,200	3,200	-	100%
Club	3,550		3,550	3,550	-	100%
tender	3,350		3,350	3,350	-	100%
Farm	24,020		24,020	24,020	-	100%
Refund	0		0	-	-	#DIV/0!
uniform	21,500		21,500	21,500	-	100%
PTA PROJECT ACCOUNTS	460,149		460,149	460,149	-	100%
National School Fund	1,378,220		1,378,220	1,378,220	-	100%
<b>TOTALS</b>	<b>28,586,604</b>	<b>0</b>	<b>28,586,604</b>	<b>28,586,604</b>	<b>0</b>	<b>100%</b>

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

*LAMU GIRLS SECONDARY SCHOOL*  
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## 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 30<sup>th</sup> June 2021.

X.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>Jan-June -2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Text books		
Exercise books		
Laboratory equipments and apparatus	346,921	
Teaching/learning materials chalks	404,542	1,196,289
Internal exams		
Reference books		
<b>Total</b>	<b>751,463</b>	<b>1,196,289</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>Jan- June-2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,316,386	1,434,937
Repairs and maintenance	2,013,125	2,515,000
Local transport / travelling	391,271	177,034
Electricity and water	438,067	1,075,697
Medical		114,400
Administration costs	1,000,001	838,940
Insurance		
Activity		228,800
Other Overheads		
Infrastructure		5,000,000
<b>Total</b>	<b>5,158,850</b>	<b>11,384,809</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

	<b>Jan-June-2021</b>	<b>2020</b>
Fee on Boarding Equipment and Stores	8,123,635	13,789,276
Personnel emoluments	1,738,244	3,514,808
Repairs and maintenance	466,000	696,000
Local transport / travelling	447,922	763,268
Electricity and water	1,834,081	2,584,516
Medical		
Administration costs	1,067,772	1,619,177
Activity	1,596	649,778
<b>Total</b>	<b>13,679,250</b>	<b>23,616,823</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	Jan-June -2021	2020
	Kshs	Kshs
Rent income	39,250	1,000
Repayment-Laboratory	22,385	
Tender	54,000	20,000
Printing	200	
Infrastructure A/c		
Kessha	5,000	
Smasse		124,500
Refund	1,000	
Farm Income	500	
Library-Lost books	820	
Damage Fees	5,475	
Clinics	80,000	
uniform	94,350	2,438,470
Deposit slips		
PTA PROJECT ACCOUNT	695,300	
Welfare	3,800	
<b>Total</b>	<b>1,002,080</b>	<b>2,583,970</b>

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

5 PAYMENTS FOR TUITION

	Jan-June-2021	2020
	Kshs	Kshs
Text books		74,600
Exercise books		760,900
Laboratory equipments and apparatus		319,749
Teaching/learning materials	816,719	664,106
chalks		
Internal exams		41,500
Reference books		
Bank charges	2,175	2,314
<b>Total</b>	<b>818,894</b>	<b>1,863,168</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

	<b>Jan-June-2021</b>	<b>-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personal Emoluments	1,666,719	1,778,014
Service Gratuity		
Administration Cost	528,071	90,537
RMI	360,354	
Maintainance and Improvement		341,910
Local transport / travelling	154,200	
Electricity and water	242,800	381,110
Medical	1,000	12,390
Activity Expenses	100,000	12,900
SMASSE		
Insurance Cost		
Bank Charges	5,062	4,606
Acquisition of Assets	7,478,209	6,655,069
<b>TOTAL</b>	<b>10,536,415</b>	<b>9,276,537</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	<b>Jan-June-2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Activity	277,295	429,615
Personnel emoluments	1,825,620	4,156,918
Repairs and maintenance & Improvements	795,655	656,418
Local transport / travelling	91,880	423,665
Electricity and water	897,192	705,575
Medical Expenses	19,474	53,716
Administration costs	1,873,361	2,464,423
Damages	2,700	
Bank Charges	10,553	
Laboratory	244,994	
Fee on Boarding Equipment and Stores	9,298,582	7,878,827
Peace Club	3,200	
Club	3,550	
tender	3,350	
Farm	24,020	
Refund		
uniform	21,500	2,692,696
PTA PROJECT ACCOUNTS	460,149	5,954,350
National School Fund	1,378,220	
<b>TOTAL</b>	<b>17,231,295</b>	<b>25,416,203</b>

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*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	Jan-June-2021	2020
		Kshs	Kshs
Tuition Account		297,423	364,854
Operations Account		2,185,349	1,047,189
School Fund Account/Boarding		6,020,260	4,016,438
PTA Development Savings Account		960,699	726,748
RETIREMENT BENEFITS		870,777	870,777
National School Fund		233,465	1,613,005
Infrastructural Account		3,394,054	9,013,444
Caution Money		320,487	320,487
<b>Total</b>		<b>14,282,514</b>	<b>17,972,942</b>

**9 CASH IN HAND**

Description	Jan-June-2021	2020
	Kshs	Kshs
Tuition Account	-	
Operation Account	-	8
School Fund account	338,453	68,877
<b>Total</b>	<b>338,453</b>	<b>68,885</b>

**10 SHORT TERM INVESTMENTS**

Description	Jan-June-2021	-2020
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	Jan-June-2021	-2020
	Kshs	Kshs
Fees arrears	25,483,094	25,806,362
Sacco	79,357	
Suspense Account		178,646
Salary advances	18,712	
PAYE	14,150	39,798
Lamu Teachers Sacco		101,051
NSSF	20,000	9,600
NHIF	36,500	20,250
Main Account		3,143,146
<b>Total</b>	<b>25,651,813</b>	<b>29,298,853</b>

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

Description	Jan-June-2021	2020
	Kshs	Kshs
Fees arrears for current year	2,665,463	25,806,362
Fees arrears recovered	(2,988,731)	
Fees arrears for the previous year		
Fees arrears for prior periods (over two years)	25,806,362	
<b>Total</b>	<b>25,483,094</b>	<b>25,806,362</b>

12 ACCOUNTS PAYABLE

Description	Jan-June 2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,797,773	923,592
Prepaid fees	1,441,241	691,705
Bursary		217,587
Special Provision/Reserve		721,419
Salary Advance		
Computer Class		765,250
Welfare	7,600	
<b>Total</b>	<b>4,246,614</b>	<b>3,319,553</b>

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

Description	Jan-June-2021	2020
	Kshs	Kshs
Trade creditors for current year	2,527,283	923,592
Trade Creditors Paid	(653,102)	
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)	923,592	
<b>Total</b>	<b>2,797,773</b>	<b>923,592</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>Jan -June-2021</b>	<b>-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	17,972,942	15,961,090
Cash balances	68,885	151,225
Short Term Investments		
Receivables	29,298,853	28,244,674
Payables	(3,319,553)	(2,561,846)
<b>Total</b>	<b>44,021,126</b>	<b>41,795,144</b>

**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	Jan-June 2021	2020
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**15 Biological assets**

Description	Numbers	Jan-June-2021	-2020
		Kshs	Kshs
Cattle			
Donkey		1	1
Trees		100	100
Coffee or tea plantation			
Poultry			
<b>Total</b>		<b>101</b>	<b>101</b>

**16 Borrowings**

Description	Jan- June-2021	-2020
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
<b>Balance at end of the year</b>	<b>0</b>	<b>0</b>

Other important disclosure notes

17 Stock/ Inventory

Description	Jan- June -2021	-2020
	KShs	KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	142,425.00	
Stock/ inventory purchased during the year	2,336,295.00	
Stock/ inventory issued during the year	( 2,372,160.00 )	
<b>Balance at end of the year</b>	<b>106,560.00</b>	

**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.

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

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**XI. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance (JAN-JUN) 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1. SUBIRA CONSTRUCTION LTD	808,047.30			808,047.30		
2.						
3.						
<b>Sub-Total</b>	<b>808,047.30</b>		<b>-</b>	<b>808,047.30</b>		
<b>Supply of goods</b>						
4. MOHAMED ALI OMAR	184,000.00			184,000.00		To be settled in full
5. TANEEM GENERAL SUPPLIES	116,020.00			116,020.00		To be settled in full
6. NURUL-YAQUEEN GENERAL	290,500.00			290,500.00		To be settled in full
7. TAWAKAL MATONDONI SHG	42,000.00			42,000.00		To be settled in full
8. MANI BOOKS & NSTATIONERY	18,180.00			18,180.00		To be settled in full
9. TWAHA GENERAL SUPPLIES	167,190.00			167,190.00		To be settled in full
10. JITOKESHA ENTERPRISES	252,860.00		-	252,860.00		To be settled in full
11. RATHMAN ENTERPRISES	14,280.00			14,280.00		To be settled in full
<b>Sub-Total</b>	<b>1,085,030.00</b>			<b>1,085,030.00</b>		
<b>Supply of services</b>						
LAWASCO	8,950.00		-	8,950.00	8,950.00	To be settled in full
ETECH DIGITAL SYSTEMS	37,600.00			37,600.00	37,600.00	To be settled in full
BOM TEACHERS/NON TEACHING SALARIES	587,656.25			587,656.25	587,656.25	To be settled in full
<b>Sub-Total</b>	<b>634,206.25</b>		<b>-</b>	<b>634,206.25</b>	<b>634,206.25</b>	
<b>Grand Total</b>	<b>2,527,283.55</b>		<b>-</b>	<b>2,527,283.55</b>	<b>2,527,283.55</b>	

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**XII. ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Unit</b>	<b>Opening Balance</b>	<b>Additions during the year</b>	<b>Disposals during the year</b>	<b>Balance as at the end of the year ended</b>
Land 1		School	Hectres	6.73	0	0	6.73
Land 2		School	Hectres	1.462	0	0	1.462
Buildings and structures		School	No	33	0	0	33
Motor vehicles		School	No	1	0	0	1
Office equipment, furniture and fittings		School	No	1,134	0	0	1,134
ICT Equipment, and Other ICT Assets		Computer lab	No	25	0	0	25
Tools and apparatus		laboratory	No	691	0	0	691
Textbooks		Library	No.	10,923	0	0	10,923
Other Machinery and Equipment		School	No.	16	0	0	16
Heritage and cultural assets		principal office	No.	22	0	0	22
Intangible assets- soft ware		School	No.	2	0	0	2
<b>Total</b>				<b>12847</b>	<b>0</b>	<b>0</b>	<b>12847</b>

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



## Annex 2 – Summary of Fixed Assets Register

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2020</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2021</b>
Land				
Buildings And Structures	769,369			7,69,369
Motor Vehicles	6,500,000			6,500,000
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus	244,994			244,994
Other Machinery And Equipment(robotic kit &water pump	172,200			172,200
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
<b>Total</b>	<b>7,686,563</b>			<b>7,686,563</b>

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