

REPUBLIC OF KENYA



*Enhancing Accountability*

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OF:	(HON. NAOMI	(LADO MP)
CLERK-AT-THE-TABLE:	S. LEMERELLE	

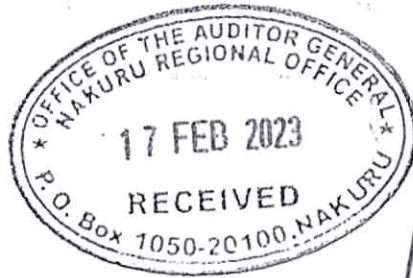
**THE AUDITOR-GENERAL**

**ON**

**KOELEL HIGH SCHOOL**

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

**NAKURU COUNTY**



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**KOELEL SECONDARY SCHOOL  
P. O BOX 151-20116  
GILGIL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**KOELEL 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 NAKURU County, GILGIL Sub-County

The school was registered in 11/03/2021 under registration number 32S30000247 and is currently categorized as an EXTRA COUNTY public school established, owned or operated by the Government.

The school is a BOYS boarding school and had 1640 number of students as at 30<sup>th</sup> June 2021. It has 9 STREAMS for both form one and two, 8 STREAM for form three and 7 STREAMS for four, and 72 teachers of which 20 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	Dr. Joseph Macharia Mwangi	Chairman	14/05/2019
2	Mr. Obenge Philemon Ogola	Secretary - Principal	14/05/2019
3	Mr. Rapahel Okoth	Member	14/05/2019
4	Mr. Francis Mutua	Member	14/05/2019
5	Ms. Diana Bosibori	Member	14/05/2019
6	Ms. Millicent Akinyi	Member	14/05/2019
7		Member	14/05/2019
8	Mr. Charles Sangany Nyameino	Member - Rep CEB	14/05/2019
9	Mr. Kennedy Kipkirui	Member Rep Teachers	14/05/2019
10	Brig (RTD) Stephen Njunge Kihui	3 Members - Sponsor	14/05/2019
	David K Gichuki	" "	14/05/2019
	Zachary Njuguna Mwangi	" "	14/05/2019
11	Dr. Joseph Macharia Mwangi	Member - Community	14/05/2019
	Mr. Julius K Kamau	" "	14/05/2019
	Margaret W Gitau	" "	14/05/2019
	Joshua Onyona	" "	14/05/2019
	Beatrice Wanjiku Muigai	" "	14/05/2019
	Hassan Ole Kamwaro -late	" "	14/05/2019
12	Sylvia Christine Alwanga	Member Special Needs	14/05/2019
	Brian Otieno	Rep Students	14/05/2019
	Ms. Diana Bosibori	Special Interest Group	14/05/2019

**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:*

			Number of meetings attended during	
1	Executive Committee	1. Dr Macharia Mwangi 2. Philemon Obenge 3. Francis Mutua 4. Joshua Onyona 5. Beatrice Wanjiku Muigai 6. Diana Bosibori	chairman Secretary BoM/Principal P A Chairman Member Member member	TWO
2	Audit Committee	1. Joshua Onyona - 2. Zachary Njuguna Mwangi- 3. Beatrice Wanjiku Muigai-	chairman member member	NONE
3	Finance, procurement and general purposes Committee	1. Mr. Charles S Nyameino- 2. Mr. Francis Mutua- 3. Ms. Millicent Akinyi-	Chairman Member member	NONE
4	Academic Committee	1. Brig (RTD) Stephen Njunge Kihui-	Chairman Member	ONE

**KOELEL SECONDARY SCHOOL**  
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		2. Margaret W Gitau- 3. David K Gichuki-	member	
5	Development Committee	1. Zachary Njuguna Mwangi- 2. Mr. Francis Mutua- 3. Margaret W Gitau-	Chairman Member member	FOUR
6	Discipline and welfare Committee	1. Zachary Njuguna Mwangi- 2. Joshua Onyona - 3. Beatrice Wanjiku Muigai-	Chairman Member member	ONE
7	Adhoc Committee (if any during the year)	1. Francis Kihima- 2. Patterson Mwaniki- 3. Peter Kuria- 4. Ngugi Ruth- 5. Salinah Chumba – 6. Masibo Jacklne – 7. Isaiah Chemjor-	Chairman/Deputy Secretary/Boarding Master Member/Deputy Member/Bursar Member/Acs Clerk Member/HOD Member/stoekeeper	NONE

**(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	Obenge Philemon Ogola	3746595
2	Deputy Principal	Francis Saina Kihima	347682
3	Deputy Principal	Peter Maina Kuria	336368
4	School Bursar	Ngugi Ruth Njeri	

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

**(e) Schools contacts**

Post Office Box: 151  
Telephone: 0707486669  
E-mail: koelelhigh@gmail.com  
Website:  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 7 (SEVEN) number of bank accounts in the following banks:  
(Ensure all accounts including CDF accounts are included)

1. Name of Bank: EQUITY BANK-BOARDING ACCOUNT  
Branch: GILGIL  
Account Number: 0770298358081
2. Name of Bank: EQUITY BANK-SAVINGS ACCOUNT  
Branch: GILGIL  
Account Number: 0770298358114
3. Name of Bank: ABSA BANK  
Branch: NAKURU EAST  
Account Number: 027-1281110
4. Name of Bank: KCB-OPERATIONS ACCOUNT  
Branch: GILGIL  
Account Number: 1106219589
5. Name of Bank: KCB-TUITION ACCOUNT  
Branch: GILGIL  
Account Number: 1106219385
6. Name of Bank: KCB-TIG ACCOUNT  
Branch: GILGIL  
Account Number: 1265922586
7. Name of Bank: EQUITY- CDF ACCOUNT  
Branch: GILGIL  
Account Number: 0770278689486

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8. MPESA Pay Bill No. 247247 attached to 0770298358081 bank account

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

**(g) Independent Auditors**

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

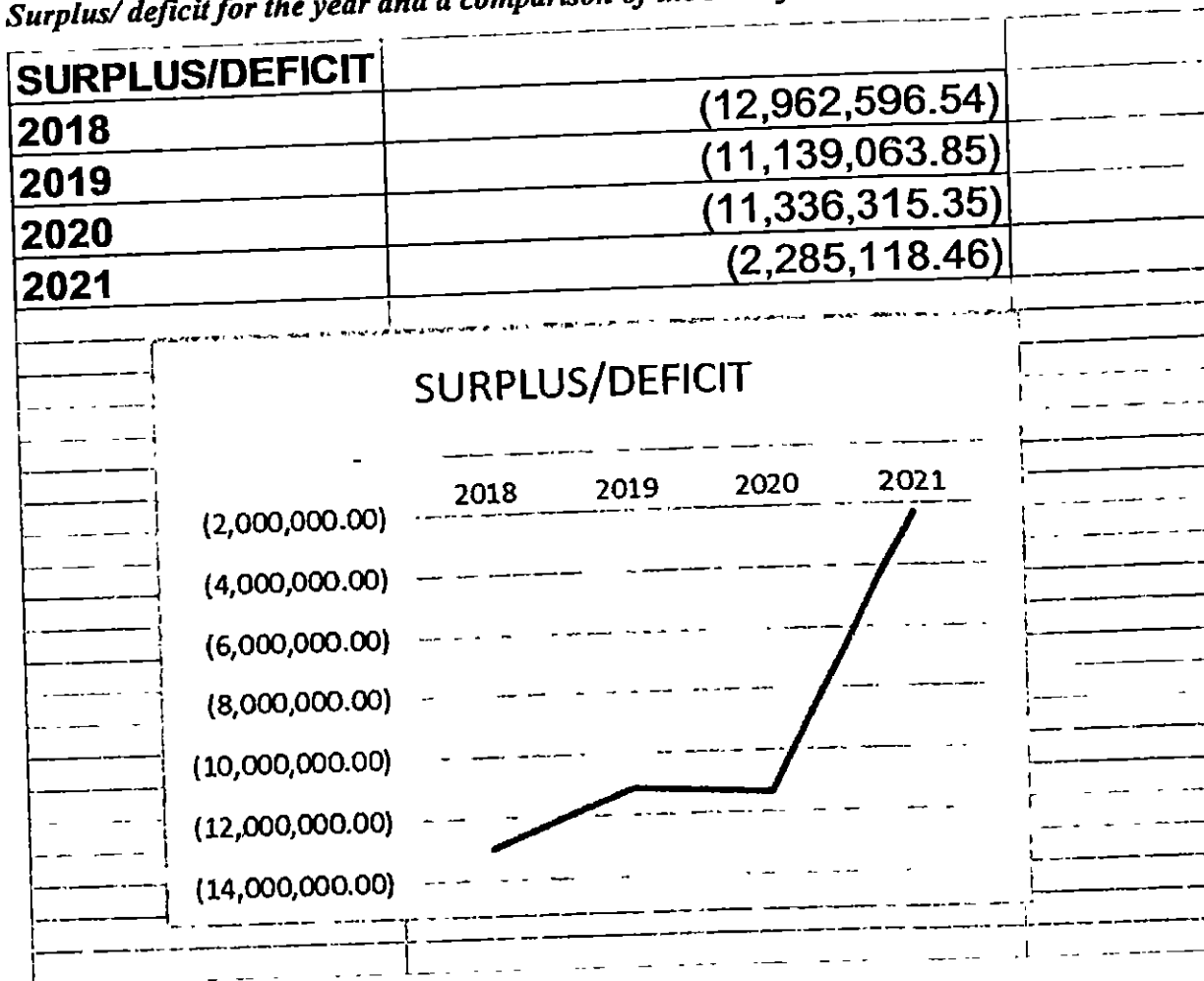
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**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

a) **Financial performance:**

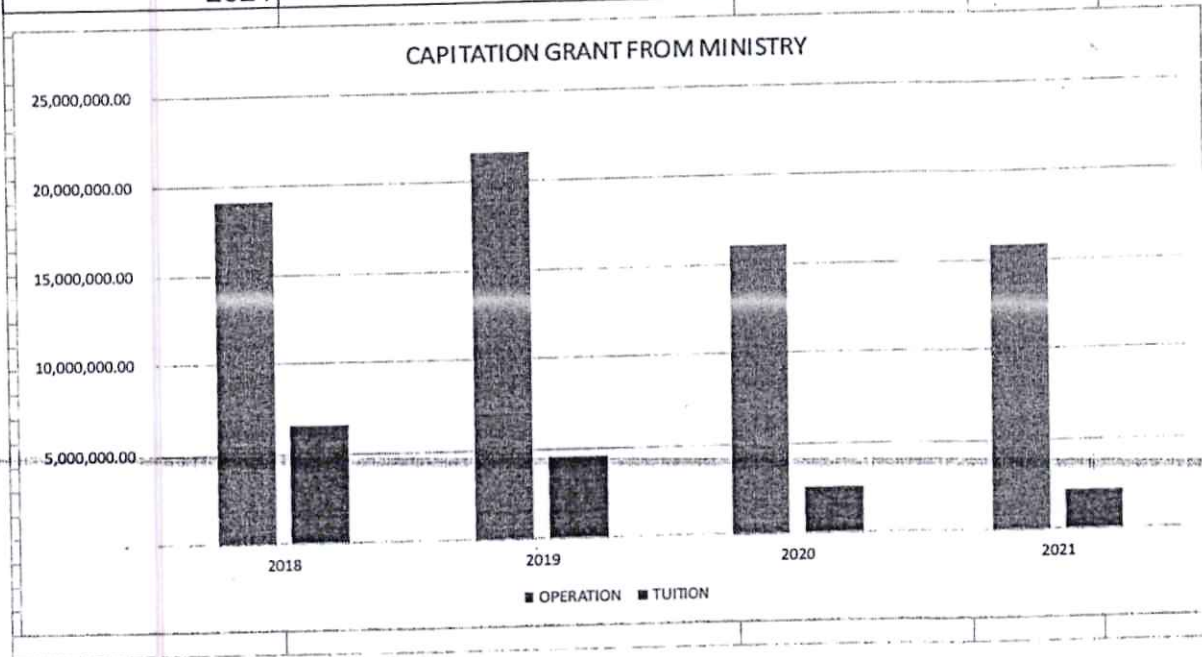
- *Surplus/ deficit for the year and a comparison of the same for the last three years*



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

CAPITATION GRANT FROM MINISTRY		
	OPERATION	TUITION
2018	19,114,790.40	6,581,983.23
2019	21,532,034.10	4,553,335.70
2020	16,082,625.00	2,570,658.00
2021	15,782,771.65	2,141,409.75



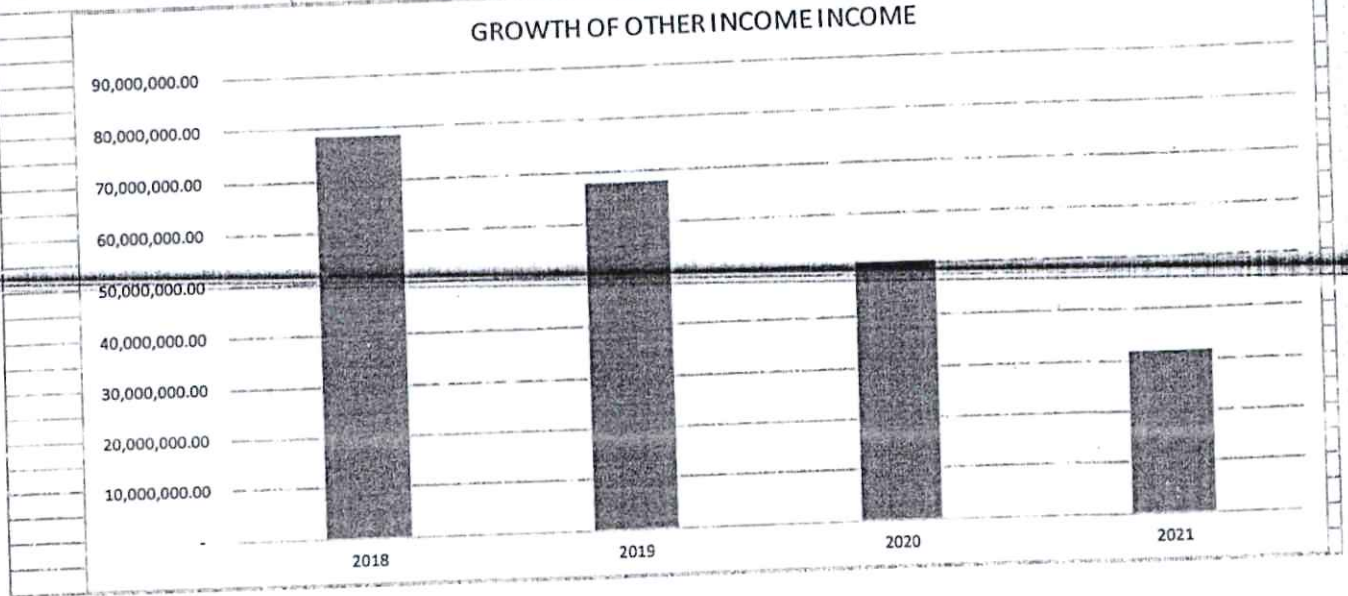
*- Ratio of capitation grant per student over the last three years*

RATIO OF CAPITATION GRANT PER STUDENT			
YEAR	GRANT	NO OF STUDENTS	
2018	25,696,773.63	1514	16972.8
2019	26,085,369.80	1517	17195.4
2020	18,653,283.00	1586	11761.2
2021	17,924,181.40	1545	11601.4

**KOELEL SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
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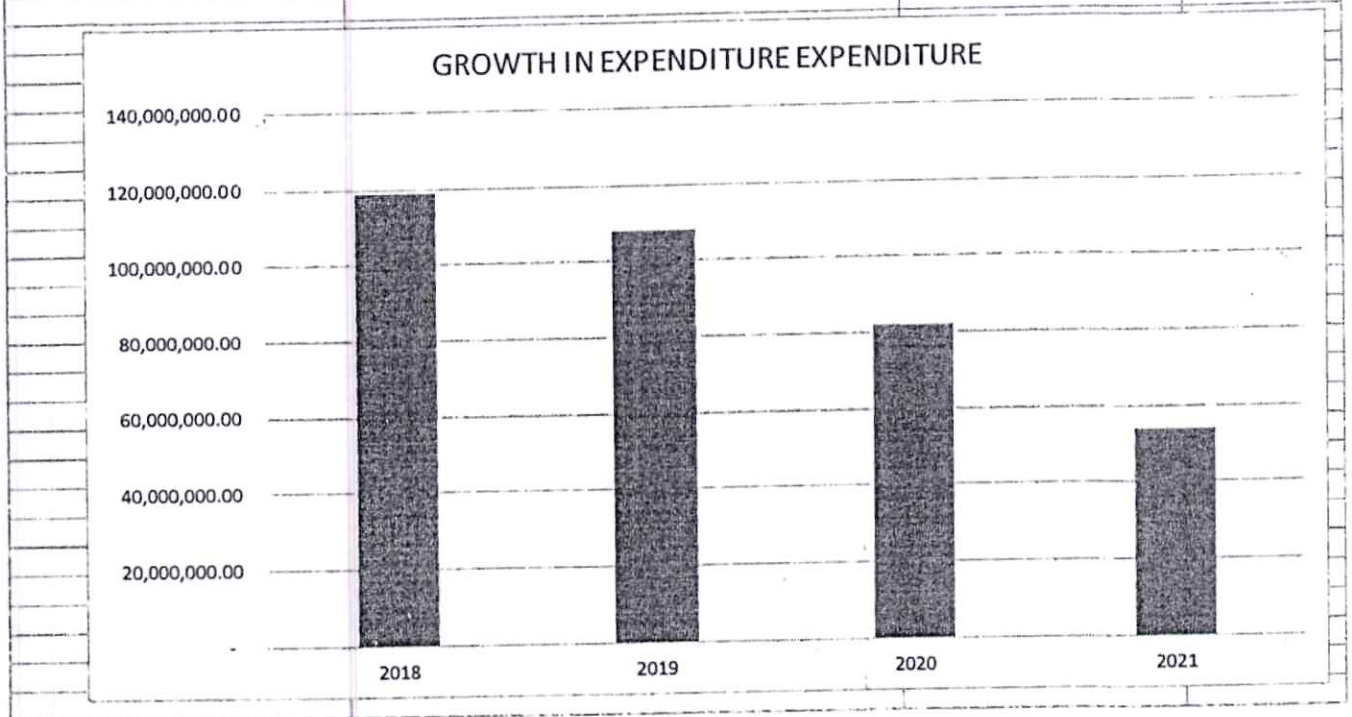
- A three-year overview of growth of other income(s) earned by the school.

GROWTH OF OTHER INCOME				
YEAR	INCOME			
2018	78,425,175.00			
2019	67,618,437.29			
2020	50,430,366.78			
2021	31,797,378.00			



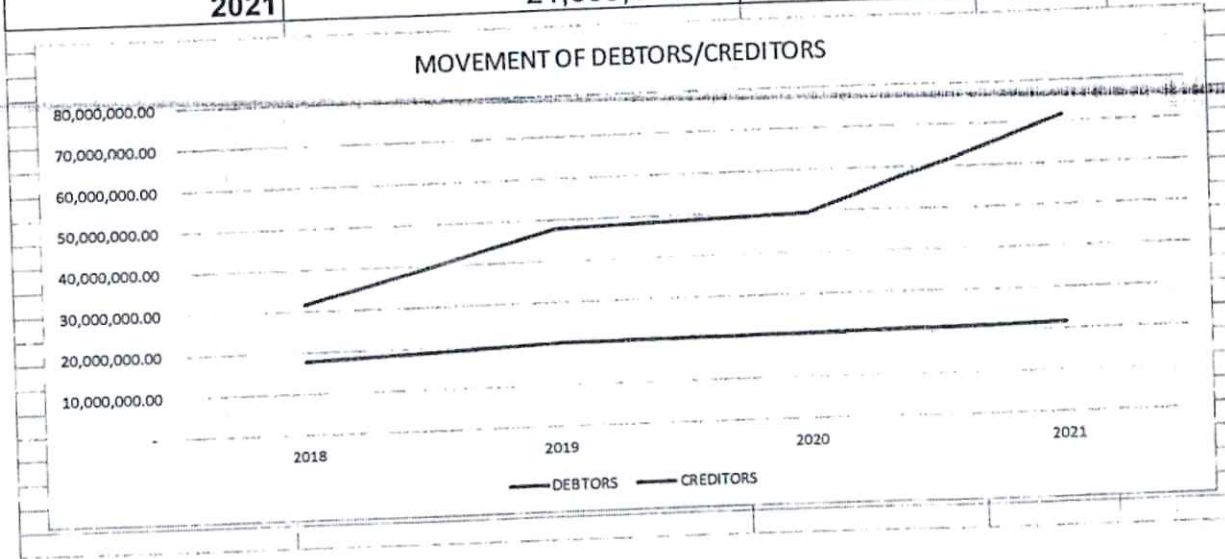
- *A three-year overview of growth in expenditure of the school*

GROWTH IN EXPENDITURE	
YEAR	EXPENDITURE
2018	118,692,409.90
2019	108,108,856.72
2020	82,137,405.99
2021	53,663,555.69



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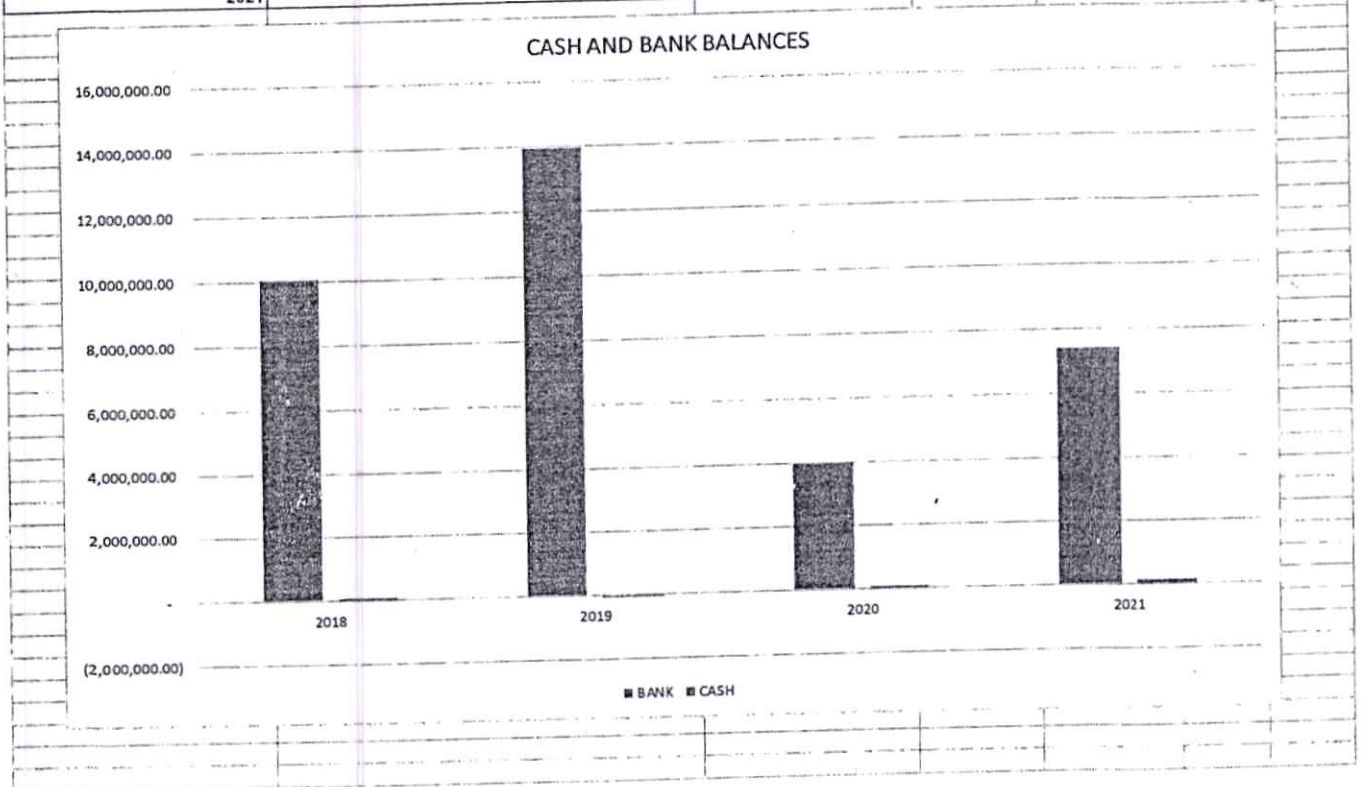
MOVEMENT OF DEBTORS AND CREDITORS		
YEAR	DEBTORS	CREDITORS
2018	17,850,963.41	31,957,583.00
2019	20,357,263.16	48,056,465.40
2020	20,580,632.79	49,711,710.56
2021	21,633,648.02	71,903,794.84



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

YEAR	BANK	CASH
2018	10,085,353.73	68,500.00
2019	13,939,980.14	(474.00)
2020	3,975,633.32	59,433.00
2021	7,413,762.75	173,786.00



**b) Teacher Student ratio: 2021 -**

1.Number of Students	<b>1640</b>
1.Teachers to student ratio	<b>1:23</b>
2.Teachers Recruited and posted within the year	<b>nil</b>
3.Teachers transferred	<b>nil</b>
4.No.of teachers retired	<b>nil</b>
5.Teachers employed by TSC	<b>52</b>
6. Teachers employed by BOM	<b>20</b>

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**c) Mean score in the 2021 KCSE:**

YEAR	MEAN SCORE	TRANSITION TO ST OF HIGHER LEARNING
2018	6.074	141
2019	6.49	189
2020	7.0	188

**d) Number of Candidates in the 2021 KCSE:**

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

YEAR	NO. OF CANDIDATES
2018	351
2019	391
2020	322
2021	345

**e) Capacity of the school:**

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

Number of students	1640
Dormitories	10
Laboratories	4
Library	1 ( 200 Capacity)
Toilets	120
Classrooms	38
Dining Hall	1 ( 1700 Capacity)

**KOELEL SECONDARY SCHOOL**  
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**f) Development projects carried out by the school:**

<i>PROJECT</i>	<i>YEAR</i>	<i>KSHS</i>	<i>FUNDED BY</i>
<i>Storied Dormitory</i>	<i>2020-2021</i>	<i>23,066,170.00</i>	<i>MI</i>
<i>Store/Bakery/Poshomill</i>	<i>2021</i>	<i>3,321,645.00</i>	<i>MI</i>

  
**Sign**

**School Principal**



**KOELEL SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
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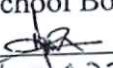
**III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**


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 *KOELEL 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, 20XX, and of the school's financial position as at that date.

**Name:** DR. JOSEPH MACHARIA MWANGI  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 12/4/2022

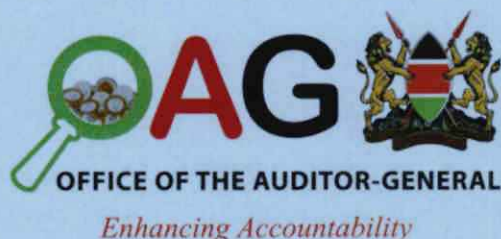
**Name:** PHILEMON OBENGE  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 12/04/2022

**Name:** RUTH NGUGI  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 07/04/2022



# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON KOEDEL HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NAKURU 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 overall 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 Koedel High School - Nakuru County set out on pages 17 to 24, which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash

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*Report of the Auditor-General on Koedel High School for the six (6) months' period ended 30 June, 2021 - Nakuru County*

flows and statement of budgeted versus actual amounts for the 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 Koelel High School – Nakuru County as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.2,141,408 and Kshs.17,439,652 respectively as disclosed in Notes 1 and 2 to the financial statements. Comparison of banks statements and the financial statements revealed amounts of Kshs.567,843 and Kshs.12,764,272 respectively, resulting to an unexplained variance of Kshs.1,573,564 and Kshs.4,675,380 respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.2,141,408 and Kshs.17,439,652 could not be confirmed.

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

The statement of financial asset and liabilities reflects payables balance of Kshs.71,903,795 as disclosed in Note 12 to financial statements. However, there were no schedules of analysis or ledgers to support the balance.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.71,903,795 could not be confirmed.

### **3. Accounts Receivables**

#### **3.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.21,633,648 as disclosed in Note 11 to the financial statements. Included in the balance is a Nil balance for staff imprests and salary advances. Excluded from the balance is imprests balance of Kshs.38,000 issued to staff. However, Management did not maintain imprests register to record the issuance and surrenders of imprests issued during the period. Further, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

### **3.2 Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.21,633,648 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.21,595,648 which had been outstanding for more than two (2) years. However, 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, completeness and recoverability of the receivables balance of Kshs.21,633,648 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Koelel High 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.

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

During the year under review, Management submitted the financial statements to the Auditor-General on 17 February, 2023 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 statements should be ready by 30 September, 2021 in compliance which 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments of Kshs.37,659,413 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.391,440 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from Schools 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.391,440 could not be confirmed.

## **3. Unapproved Fees on Parents Association Support Programme**

The statement of receipts and payments reflects school fund income - parents' contributions amount of Kshs.8,289,313 as disclosed in Note 3 to the financial statements which includes PA Support Programme amount of Kshs. Examination of the records revealed that the school charged an amount of Kshs.4,500 per student to support the programme which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that parents will only pay for school uniforms, boarding related costs as reflected in the boarding fees structure and lunch for the day scholars.

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

## **4. Lack of Annual Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.51,378,437 and Kshs.53,663,555 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.

## **5. Failure to Transfer Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.17,439,652 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.504,000 in respect of infrastructure grants which was not transferred within fifteen (15) days of receipt. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3, 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.

## **6. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements**

**6.1** The annual report and the financial statements presented for audit did not comply with the template provided by the Public Sector Accounting Standards Board (PSASB). The page numbers were not consistent as some pages are repeated while other page numbers are missing. Further, the amounts reported in the financial statements were not rounded off to the nearest Kshs. This is contrary to the requirement of principal accounting policy number 1 on statement of compliance and basis of preparation of the financial statements. In addition, page 24 on "other important disclosure note on - progress on follow up of Auditor's recommendation" was not signed by the Principal of the School.

### **6.2 Incorrect Naming of School in the Financial Statements**

The annual report and financial statements are named as Koelel Secondary School instead of Koelel High School.

In the circumstances, Management did not comply with the PSASB reporting requirements.

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 comply, 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, except for the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, 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 Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register with seven (7) classes of fixed assets owned by the School. The values of all assets listed is indicated as Nil. Among the assets listed are thirty (30) acres of land and four (4) motor

vehicles. However, land ownership documents and motor vehicle log books were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

## **2. Irregularities in Stores Management**

Audit of stores records revealed that there were no stores requisitions/bin cards from user departments.

In the circumstances, the effectiveness of internal controls on stores management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 control, risk management and 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 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

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

**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019 - 2020
			Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	2,141,407.71	2,570,658.00
Capitation grants for operations	2	17,439,652.23	16,586,493.40
School Fund Income- Parents' Contributions	3	8,289,312.66	16,226,194.20
School Fund Income- Other receipts	4	23,508,064.63	35,417,745.04
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>51,378,437.23</b>	<b>70,801,090.64</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,424,729.00	3,583,260.14
Payments for operations	6	13,579,414.00	19,092,321.19
Boarding and school fund payments	7	37,659,412.69	59,461,824.66
<b>TOTAL PAYMENTS</b>		<b>53,663,555.69</b>	<b>82,137,405.99</b>
<b>SURPLUS/DEFICIT</b>		<b>(2,285,118.46)</b>	<b>(11,336,315.35)</b>

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

Sign: 

Name: DR MACHARIA MWANGI  
 (Chair BOM)

Date 12/4/2022

Sign: 

Name: PHILEMON O OBENGE  
 (School Principal/ Secretary to BOM)

Date 12.04.2022



Sign: 

Name: RUTH N NGUGI  
 (Bursar/ Finance Officer)

Date 07/04/2022

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

**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	7,413,763	3,982,633
Cash Balances	9	173,786	59,433
Short term Investment	10	-	
<b>Total Cash and Cash Equivalents</b>		<b>7,587,549</b>	<b>4,042,066</b>
Account's receivables	11	21,633,648	20,632,633
<b>TOTAL FINANCIAL ASSETS</b>		<b>29,221,197</b>	<b>24,674,699</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	71,903,795	59,333,848
<b>NET FINANCIAL SSETS</b>		<b>(42,682,598)</b>	<b>(34,659,149)</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	(40,397,480)	(23,322,833)
Surplus/Defict for the year		(2,285,118)	(11,336,315)
<b>NET FINANCIAL POSITION</b>		<b>(42,682,598)</b>	<b>(34,659,148)</b>

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

Name: DR JOSEPH M Mwangi  
 Chairman, BoM

Sign: 

Date: 12/4/2022

Name: PHILEMON D OBERGIE  
 School Principal/Secretary  
 to BoM

Sign: 

Date: 12/4/2022



Name: NGUGI RUTH NJERI  
 Bursar/Finance

Sign: 

Date: 07/04/2022

**KOELEL SECONDARY SCHOOL**  
**Reports and Financial Statements**  
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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	240,000	-240,000	0	-	-	-
Exercise books	1,040,000		1,040,000	566,834	473,166	183.5%
Laboratory equipment	400,000	-200,000	200,000	-	200,000	
Internal exams	1,160,000	-1,000,000	160,000	-	160,000	
Teaching / learning materials	400,000	1,440,000	1,840,000	1,574,573	265,427	116.9%
Chalks	75,200		75,200	-	75,200	
Exams and assessment				-	-	
Teachers guides				-	-	
Reference/Library				-	-	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	3,008,000	3,008,000		-	-	
Repairs and maintenance	4,000,000		4,000,000	6,583,993	(2,583,993)	60.8%
Local transport / travelling	902,400	-902,400		-	-	
Electricity and water	1,353,600	1,353,600	0	-	-	
Medical	1,600,000	1,600,000		-	-	
Administration costs	2,256,000	6,864,000	9,120,000	9,198,774	(78,774)	99.1%
Insurance	1,200,000		1,200,000	-	1,200,000	
Activity				-	-	
				-	-	
<i>(3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments					0	
Repairs and maintenance	1,520,000			1,106,375	1,106,375	0.0%

**KOELEL SECONDARY SCHOOL**  
**Annual Report and Financial Statement**  
**For the year ended 30<sup>th</sup> June 2021**

Local transport / travelling	1,064,304	1,064,304			0	
Electricity and water	1,596,456	1,596,456			0	
Medical					0	
Administration costs	2,660,760	6,208,440	8,869,200	10,635,422	1,766,222	83.4%
Activity	380,000		380,000	134,772	245,228	282.0%
SMASSE					0	
Fee on Boarding Equipment and Stores					0	
					0	
					-	
<b>OTHER INCOME</b>						
<i>Fee on Boarding Equipment and Stores</i>	15,830,800.00		15,830,800	15,875,180	(44,380)	99.7%
<i>Electricity, water &amp; C</i>				-		
<i>LT&amp;T</i>				-		
<i>Repairs and Maintenance</i>				-		
<i>Personal Emoluments</i>	3,547,680	3,547,680				
<i>Admin Costs</i>				-		
<i>uniform</i>				63,829		
<i>arrears</i>				1,723,405		
<i>Caution Money</i>				-		
<i>#REF!</i>				#REF!		
<i>RD cheque</i>				290,893		
<i>Income from farming activities</i>				-		
<i>Insurance compensation</i>	512,100.00			512,100		
<i>students id /labelling</i>				3,608		
<i>Income from Bus Hire</i>				-		
<i>Fee for hire of ground and equipment</i>				-		
<i>Income from grants and donations*</i>	-			-		
<i>Interest income</i>				-		
<i>Dividends income</i>				-		
<b>TOTAL INCOME</b>		0		#REF!	#REF!	#REF!

**KOELEL SECONDARY SCHOOL**  
**Annual Report and Financial Statement**  
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<b>(1) EXPENDITURE FOR TUITION</b>						
Teaching and learning	240,000.00	0	240,000	69,000	171,000	0.2875
Exercise books	1,040,000.00	0	1,040,000	1,010,955	29,045	0.972072115
Laboratory equipment	400,000.00		400,000	636,476	-236,476	1.59119
Internal exams	1,160,000.00		1,160,000	-	1,160,000	0
Teaching / learning materials	400,000.00		400,000	708,298	(308,298)	1.770745
Chalks	75,200.00		75,200	-	75,200	0
Exams and assessment			0	-	-	#DIV/0!
Teachers guides			0	-	-	#DIV/0!
Administration Costs			0	-	-	#DIV/0!
Bank Charges			0	-	-	#DIV/0!
			0	-	-	#DIV/0!
<b>PAYMENTS FOR OPERATIONS</b>			0	994,838		
Personal Emoluments			0	-		
Service Gratuity	0		0	6,701,850		
Administration Cost			0			
Repairs and maintenance & improvements	4,000,000		4,000,000	4,739,975		1.18
Local transport / travelling			0	-		
Electricity and water			0	178,930		
Medical	1,600,000		1,600,000	-		
Activity Expenses	7,520,000		7,520,000	68,000		
creditors	1,200,000		1,200,000	-		
Insurance Cost	895,821		895,821	895,821		
Bank Charges			0	-		
Acquisition of Assets	0		0	-		
	0					

**KOELEL SECONDARY SCHOOL**  
**Annual Report and Financial Statement.**  
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<b>BOARDING AND SCHOOL FUND PAYMENTS</b>						
Activity	380,000		380,000	108,500		0.29
Bus hire			0	-		
Pocket Money			0	-		
inter borrowing			0	1,500,000		
Personnel emoluments	3,547,680	-2,668,344	879,336	879,336		1
Service Gratuity	0		0	-		
Repairs and maintenance & Improvements	1,520,000		1,520,000	2,146,285		1.41
Local transport / travelling	1,064,304	-890,000	174,304	273,700		
Electricity and water	1,596,456	-1,596,456	0	-		
Medical Expenses	35,200		35,200	35,200		1
Administration costs	2,660,760	5,154,800	7,815,560	6,849,895		0.88
Lunch Programme	0		0	-		
Bank Charges			0	-		
Expenses on Income Generating Activities	0		0	-		
Fee on Boarding Equipment and Stores	15,830,800		15,830,800	24,192,312		1.53
uniform			0	2,910		
fees refund	19,000		19,000	19,000		
Loan Principal repayment	0		0	-		
Loan Interest repayment	1,074,404		1,074,404	1,074,404	-	1
Acquisition of Assets-two story dorm	0		0	-	-	#DIV/0!
<b>TOTAL</b>	<b>46,259,625</b>	<b>0</b>	<b>46,259,625</b>	<b>53,085,685</b>	<b>(6,826,060)</b>	<b>114.8%</b>

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

- i. ----
- ii. ----

## VIII. 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.

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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

		2020-2021	2019-2020
		KSh	KSh
Textbooks and reference materials			
Exercise books		566,834.40	
Laboratory equipment			
Internal exams			
Teaching / learning materials		1,574,573.31	2,570,658.00
Chalks			
Exams and assessment			
Teachers guides			
Reference/Library			
<b>Total</b>		<b>2,141,407.71</b>	<b>2,570,658.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

		2020-2021	2019-2020
		KSh	KSh
Personnel emoluments			1,320,000.00
Repairs and maintenance		6,583,993.38	6,059,868.40
R M I from ABSA		1,500,000.00	
Local transport / travelling			-
Electricity and water			-
Medical			277,803.76
Other voteheads/Administration costs		9,198,773.85	8,373,213.72
Refund from mache		156,885.00	
Insurance			
Activity			555,607.52
<b>Total</b>		<b>17,439,652.23</b>	<b>16,586,493.40</b>

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

		2020-2021	2019-2020
		KSh	KSh
Personnel emoluments			
Repairs and maintenance		1,106,374.50	2,247,860.00
Local transport / travelling			-
Electricity and water			-
Medical			
Other Voteheads/Administration costs		7,048,166.16	13,730,752.20
Activity		134,772.00	247,582.00
<b>Total</b>	<b>0</b>	<b>8,289,312.66</b>	<b>16,226,194.20</b>

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

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

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	KSh	KSh
Fee on Boarding Equipment and Stores	17,598,584.95	24,477,221.78
Electricity, water & C		
LT&T		
Repairs and Maintenance		
Personal Emoluments	3,587,256.09	3,237,212.85
Admin Costs		
uniform	63,829.00	6,760,992.00
arrears		
Caution Money		
BOM teachers salaries		
RD cheque	290,893.00	-
Income from farming activities		
Damages/Breakages charges	1,005,921.59	134,399.41
School Van -balances	445,872.00	807,919.00
Insurance compensation	512,100.00	-
students id /labelling	3,608.00	-
Income from Bus Hire		-
Fee for hire of ground and equipment		-
Income from grants and donations*		-
Acquisition of assets-two storied dorm		-
Interest income		-
Dividends income		-
Sale of water		
P A donations		
<b>Total</b>	<b>23,508,064.63</b>	<b>35,417,745.04</b>

**5 PAYMENTS FOR TUITION**

	2020-2021	2019-2020
	KSh	KSh
Teaching and learning	69,000.00	460,700.00
Exercise books	1,010,955.00	1,955,000.00
Laboratory equipment	636,476.00	1,144,758.00
Internal exams		-
Teaching / learning materials	708,298.00	-
Chalks		-
Exams and assessment		-
Teachers guides		-
Administration Costs		22,802.14
Bank Charges		
<b>Total</b>	<b>2,424,729.00</b>	<b>3,583,260.14</b>

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

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

**8 BANK ACCOUNTS**

	Bank Account Number	2020-2021	
		KShs	KShs
Tuition Account	1106219325	570,562.34	(130,706.37)
Operations Account	1106219589	1,537,468.57	636,089.34
School Fund Account/Boarding - equity	0770298358081	3,875,658.18	3,238,959.20
School Fund Account/Boarding- absa	0271281110	732,704.66	171,052.15
Savings Account-Equity	0770298358114	258,821.00	65,101.00
Income generating activities Account			
Infrastructural Account	1265922586	438,548.00	2,138.00
Farm Account			
<b>Total</b>		<b>7,413,762.75</b>	<b>3,982,633.32</b>

**9 CASH IN HAND**

Description	2020-2021	
	KShs	KShs
Tuition Account	-	-
Operation Account	173,786.00	59,433.00
School Fund account	173,786.00	59,433.00
<b>Total</b>		

**10 SHORT TERM INVESTMENTS**

Description	2020-2021	
	KShs	KShs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
<b>Total</b>	-	-

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

**11 ACCOUNTS RECEIVABLE**

Description	2020-2021		2019-2020	
	Kshs		Kshs	
Fees arrears		21,595,648.02		20,580,632.79
Other non-fees receivables				
Salary advances		38,000.00		52,000.00
Imprest				-
<b>Total</b>		<b>21,633,648.02</b>		<b>20,632,632.79</b>

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

Description	2020-2021		2019-2020	
	Kshs		Kshs	
Fees arrears for current year		1,723,404.75		1,849,872.63
Fees arrears for the previous year		1,849,872.63		
fees arrears received during the year		(708,389.52)		
Fees arrears for prior periods (over two years)		18,730,760.16		18,730,760.16
<b>Total</b>		<b>21,595,648.02</b>		<b>20,580,632.79</b>

**12 ACCOUNTS PAYABLE**

Description	2020-2021		2019-2020	
	Kshs		Kshs	
Trade creditors (See ageing below and appendix 1)		62,415,160.32		57,837,612.56
Prepaid fees		3,757,303.52		1,496,235.35
bus loan		5,731,331.00		-
<b>Total</b>		<b>71,903,794.84</b>		<b>59,333,847.91</b>

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

Description	2020-2021		2019-2020	
	Kshs		Kshs	
Trade creditors for current year		18,845,562.01		32,436,420.25
Trade creditors for the previous year		32,436,420.25		25,401,192.31
Trade creditors for prior periods (over two years)		25,401,192.31		
paid during the year		(14,268,014.25)		
<b>Total</b>		<b>62,415,160.32</b>		<b>57,837,612.56</b>

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

**13 FUND BALANCE BROUGHT FORWARD**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	3,975,633.32	13,939,980.14
Cash balances	59,433.00	(474.00)
loan-bus	(5,731,331.00)	(6,805,735.00)
Receivables	20,632,632.79	20,357,263.16
Payables	59,333,847.91	50,813,867.40
<b>Total</b>	<b>(40,397,479.80)</b>	<b>(23,322,833.10)</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	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	5,731,331.00	6,805,735.00
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
<b>Total</b>	<b>5,731,331.00</b>	<b>6,805,735.00</b>

Notes to Bank Loan : Initial loan was kshs.13, 300,000.00 (2017)

**15 Biological assets**

Description	Number	2020-2021	2019-2020
		Kshs	Kshs
Cattle		121	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
<b>Total</b>		<b>121.00</b>	<b>-</b>

**16 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year		-
Borrowings during the year		-
Repayments of during the year		-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>

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**17 Stock/ Inventory**

Description	2020-2021 KShs	2019-2020 KShs
<b>a) Borrowings</b>		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
<b>Balance at end of the year</b>		

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**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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



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20. Moses Wangombe Ngumi		426,250.00		58,800.00	
21. Goren Gates Agency		44,500.00		88,000.00	
22. Destiny Inspirations		203,000.00			
23. Buhoti General Supplies		158,400.00		51,200.00	
24. Ruminjek Investment				192,000.00	
25. Shepherds Butchery		739,200.00		318,775.00	
26. Acacia Innovations Limited				372,000.01	
27. Top Greatlite LTD				4,500.00	
28. Tumaini Workshop		144,985.00		8,200.00	
29. Lagsure Supplies	783,200.00	380,700.00		881,200.00	
30. Shungani Reson Saruni		1,276,600.00		1,127,600.00	
31. The whiterock Self Help Group		180,300.00		47,500.00	
32. Elenox Limited		831,355.00		153,400.00	
33. Bahati Agro Processors Ltd				1,462,010.00	
34. Science Equipment LTD		240,000.00			
35. PETPAT ENTERPRISES		581,800.00			
36. BMLADEC MAXICORSO				78,880.00	
37. ISRAND AUTO BODY WORKS LTD				78,900.00	
38. DAVID NDIRANGU				4,800.00	
39. RACESTER VENTURES				82,512.00	
40. MARY WASIKE				57,000.00	
41. DAN AUSTIN SIGNS				8,200.00	
42. GREENMARKS S H G				316,064.00	
43. RYKIND TRADERS				625,000.00	
44. VERONICAH CHEROTICH				132,000.00	
<b>TOTALS</b>	<b>9,048,859.00</b>	<b>12,596,890.00</b>		<b>14,038,136.01</b>	
<b>TUITION ACCOUNT</b>					
45. Dobex school suppliers		397,642.00		365,670.00	
46. Mimosa office and school supplies		1,584,801.00		1,010,955.00	
47. JACKMOT ENTERPRISES		342,000.00			
48. MUNIU IMANI BOOKSHOP		329,015.00		36,890.00	

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49. CYBER SCHOOL TECHNOLOGY SOLUTIONS LTD		300,200.00			
50. JETLINK EDUCATIONAL ENTERPRISES				52,000.00	
51. VINTAGE PUBLICATION					
52. VISSIONNET COMPUTER SOLUTIONS					
53. CENTRAL SCIENTIFIC SUPPLIERS LTD				270,806.00	
54. PEZI PUBLISHERS LTD				288,250.00	
55. PILGRIM SERVICES				6,000.00	
<b>TOTALS</b>			<b>2,556,016.00</b>	<b>2,030,571.00</b>	
<b>OPERATIONS ACCOUNT</b>					
56. J. H. ENTERPRISES					
57. GILGIL HARDWARE & GLASSMART	563,795.00				
58. KAMS ELECTRICAL/ ELECTRONICS	183,400.00	183,180.00		178,930.00	
59. PETPAT ENTERPRISES	668,810.00			713,600.00	
60. JOYANN HARDWARE STORE					
61. PATMAT BOOKSHOP	455,312.00	115,552.00		4,640.00	
62. STARTIC DISTRIBUTORS	574,000.00				
63. MAIDENPARK LTD	438,000.00	225,500.00			
64. JOCHU OFFICE EQUIPMENT STATIONERS				27,500.00	
65. ZAAW HOUSING & INTERIOR DESIGN CONTRACTORS	1,000,000.00				
66. FORBES AGENCIES				563,700.00	
67. ALLIANCE TECHNOLOGIES				15,000.00	
68. HEZAG ENTERPRISES		410,000.00		62,250.00	
69. ADMAZ SPORTS & UNIFORMS				68,000.00	
70. FLYLINK SOLUTIONS				101,050.00	
71. EQUITY INSURANCE AGENCY				761,885.00	
72. BRITAM INSURANCE					
<b>Sub-Total</b>	<b>3,883,317.00</b>	<b>934,232.00</b>		<b>2,496,555.00</b>	

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

	Partly Depreciated	Partly Depreciated	Original Cost (KSh)	Accumulated Depreciation during the year (KSh)	Depreciation during the year (KSh)	Historical Cost (KSh) 30 <sup>th</sup> June 2021
Land 1						30ACRES
Land 2	0	0	0	0	0	0
Buildings and structures	0	0	0	0	0	249
Motor vehicles	0	0	0	0	0	4
Office equipment, furniture and fittings	0	0	0	0	0	54137
ICT Equipment, and Other ICT Assets	0	0	0	0	0	122
Tools and apparatus	0	0	0	0	0	3207
Textbooks	0	0	0	0	0	50002
Other Machinery and Equipment	0	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0	0
Intangible assets- soft ware	0	0	0	0	0	0
<b>Total</b>						

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