

REPUBLIC OF KENYA



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DATE: 04 MAR 2025

DAY:

Tuesday

OF

TABLED
BY:

Deputy chief whip -
Majority Party
Hon. Naomi Jillo

CLERK-AT

Benson Inzogu

THE AUDITOR-GENERAL

ON

**BISHOP ABIERO SHAURIMOYO
SECONDARY SCHOOL**

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

KISUMU COUNTY

Revised 30th June 2022



**BISHOP ABIERO SHAURIMOYO SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

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Table of Contents

Page

I. Key School Information And Management.....	iv
II. Summary Report Of Performance Of The School.....	vii
III. Statement Of School Management Responsibility.....	xi
IV. Report Of The Independent Auditors (<i>To be attached</i>).....	xii
V. Statement Of Receipts And Payments Period To 30 th June 2022.....	1
VI. Statement Of Financial Assets And Financial Liabilities As At 30 th June 2022	2
VII. Statement of Cash Flows for The Period Ended 30 th June 2022	3
VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2022	4
IX Trial balance	
X. Significant Accounting Policies.....	6
XI. Notes To The Financial Statements	8

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 Kisumu County, Kisumu Central Sub-County

The school was registered in 1st March 2011 under registration number PU/S/2/5663/11 and is currently categorized as a Sub-County public school established, owned or operated by the Government.

The school is a day mixed school and had 950 number of students as at 30th June 2022. It has 6 streams and 37 teachers of which 5 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	Rev. Fredrick Ochieng	Chairman	5th March 2019
2	Mrs. Oboro Dinnah	Secretary - Principal	5th March 2019
3	Faith Yoweri	Member	5th March 2019
4	Lebaus Onyango	Member	5th March 2019
5	Ester Oketch	Member	5th March 2019
6	Bishop George Okwach	Member	5th March 2019
7	Grace Otieno	Member	5th March 2019
8	Mr. Omogi Jane	Member – Rep CEB	5th March 2019
9	Angelica Ouya	Member Rep Teachers	5th March 2019
10	Clementine Gwaswor	3 Members - Sponsor	5th March 2019
11	Anne Ombewa		
12	Susan Karanja		
13	Fredrick Ragot	Member - Community	5th March 2019
14	Otieno Nick Adwart	Member Special Needs	5th March 2019
15	Brenda Owuor	Rep Students	5th March 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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Rev. Fredirck Ochieng	BOM Chair	2 out of 2
		Susan Karanja	Member	1 out of 2
		Clementine Gwoswar	Member	2 out of 2
		Odhiambo Martha	P.A Chair	2 out of 2
2	Audit Committee	Faith Yoweri	Chair	1 out of 1
		Clementine Gwoswar	Member	1 out of 1
		Ragot Fredrick	Member	1 out of 1
3	Finance, procurement and general purposes Committee	Aslam Khan	Chair	1 out of 1
		Odhiambo Martha	Member	1 out of 1
		Susan Karanja	Member	1 out of 1
4	Academic Committee	Ouya Angelica	Chair	1 out of 1
		Odhiambo Martha	Member	1 out of 1
		Ragot Fredrick	Member	1 out of 1
5	Discipline and welfare Committee	Oduka Tom	Chair	3 out of 3
		Ombewa Anne	Member	3 out of 3
		Odhiambo Martha	Member	3 out of 3

(d) School Operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Dinnah Oboro	229214
2	Deputy Principal	Oduka Tom	387176
3	School Bursar	Allance Osoro	Id.No. 30380738

(e) Schools contacts

Post Office Box: 1691, KISUMU
Telephone: 0202422599
E-mail: bishopabieroshaurimoyo2015@yahoo.com

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks:

1. Name of Bank: Co-operative Bank
Branch: Kisumu Branch
Account Number: 01139766753500
2. Name of Bank: Co-operative Bank (CDF)
Branch: Kisumu Branch
Account Number: 01139295151000
3. Name of Bank: Co-operative Bank (Operation Acc.)
Branch: Kisumu Branch
Account Number: 01139295151001
4. Name of Bank: Co-operative Bank (Tuition Acc.)
Branch: Kisumu Branch
Account Number: 01139295151002
5. Name of Bank: Co-operative Bank (MIF Acc.)
Branch: Kisumu Branch
Account Number: 01139295151003

(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:**

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

YEAR	SURPLUS	DEFICIT
2023	534,202.00	0
2022	0	(732,441.4)
2021	0	(648,906.00)
2020	2,277,008.60	0

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

YEAR	OPERATION A/C	TUITION A/C
2022	10,277,819.46	3,025,463.10
2021	12,062,654.10	2,320,484.25
2020	11,242,002.00	1,566,128.00

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

YEAR	GROWTH
2022	11,200
2021	0
2020	0

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

YEAR	EXPENDITURE
2022	31,589,454
2021	11,951,229
2020	8,747,973.45

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

YEAR	DEBTORS	CREDITORS
2022	3,035,063	2,703,455
2021	306,266	639,904.00
2020	1,371,478	270,343.00

b) Teacher Student ratio:

Teacher to student ratio

1:30

Teachers recruited	Teachers transferred	Teachers employed	Retired	Employed by T.S.C	Employed by B.O.M
2	3	2	1	31	5 teachers

a) Mean score in the 2023 KCSE:

Subject	2021		2020		2019	
	M.S	M.G	M.S	M.G	M.S	M.G
Geography	4.7174	C-	7.2941	C+	4	D+
Homescience	4.25	D+		C		
Hist & Govt	4.2047	D+	5.6148	B-	4.78	C-
Agriculture	3.889	D+	7.6809	D+	3.897	D+
English	3.5991	D+	4.3725	D+	4.419	D+
C.R.E	3.5879	D+	3.9104	D+	5.055	C-
Kiswahili	3.033	D	3.4444	D	3.74	D
B/Studies	2.7671	D	5.5	D+	2.989	D
Physics	24.878	D-	4.2667	D	3.083	D
Biology	2.4151	D-	2.3987	D-	2.488	D-
Mathematics	1.934	D-	1.8235	D-	2.122	D-
Chemistry	1.622	D-	1.8301	D-	2.106	D-
School mean score and mean grade	3.094	D		D	3.488	D

Summary Report of the Performance of the School (Continued)

YEAR	NO. OF CANDIDATES
2022	197
2021	212
2020	153

a) Capacity of the school:

Indicate the number of students on 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.

FACILITIES	NO. OF STUDENTS	NO. OF FACILITIES	REMARK
Dormitories	920	0	Full day
Dining hall	920	0	In the plan
Laboratory	920	1	Improvised Classroom Construction on going
Library	920	Book store	insufficient
Toilet	920	32	Sufficient
Football pitch	920	1	Well maintained
Volleyball pitch			N/A
Netball pitch			N/A

b) Development projects carried out by the school:

YEAR	PROJECT	STATUS	SOURCE OF FUND
2021/2022	Toilet	Complete	M.O.E.S.T
2021/2022	Science Lab.	Ongoing	M.O.E.S.T



.....
School Principal

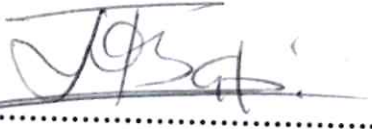
III. Statement Of School Management Responsibility

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

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

The Board of Management of *Bishop Abiero Shaurimoyo Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

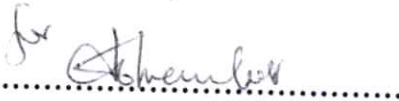
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.



.....
Name: Mr. Obat Noon Titus

Designation: Chairman, School Board of Management

Date: 22/7/22



.....
Name: Mr. Mong'are Elijah

Designation: School Principal & Secretary to Board of Management

Date: 21.7.2022

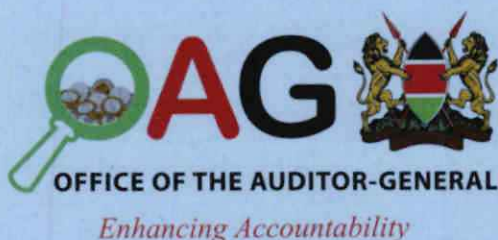


.....
Name: Allance Osoro

Designation: Bursar/ Finance Officer

Date: 21.7.2022

REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BISHOP ABIERO SHAURIMOYO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KISUMU COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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

Adverse Opinion

I have audited the accompanying financial statements of Bishop Abiero Shaurimoyo Secondary School - Kisumu County set out on pages 1 to 13, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Bishop Abiero Shaurimoyo Secondary School - Kisumu County as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Lack of Trial Balance

The financial statements presented for audit were not accompanied by a trial balance. This is contrary to Regulations 57(2) of the Public Finance Management (National Governments) Regulations, 2015 which states that before embarking on accounting entries and other adjustments to reflect the changes in Paragraph (1), it shall be necessary to agree on the actual status of the vote in respect of the following aspects of the affected functions and services based on the ledger balances of a trial balance.

In the circumstances, the validity, accuracy and completeness of the balances presented in the financial statements and notes to the financial statements could not be confirmed.

2. Accounts Receivables

2.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,035,063 in respect of fee arrears and as disclosed in Note 11 to the financial statements. However, the supporting schedule with students' details and dates the fees arrears were incurred were not provided for audit. The Management did not prepare an ageing analysis to assess the status of outstanding fees owed to the School by students and the length of time they had remained outstanding. In addition, significant accounting policies on accounts receivables as disclosed in Note 5 is silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.3,035,063 could not be confirmed.

3. Accounts Payables

3.1 Variances in Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.3,035,807 which includes balances of Kshs.2,906,955 in respect of trade creditors as disclosed in Note 12 to the financial statements. However, the balance varies with

balance of Kshs.2,703,455 and as disclosed in Annex 1 to the financial statements resulting to an unexplained or an unreconciled variance of Kshs.203,500.

In the circumstances, the accuracy and completeness of trade creditors balance of Kshs.2,906,955 could not be confirmed.

3.2 Unsupported Accounts Payable

The statements of financial assets and liabilities reflects accounts payable balance of Kshs.3,035,807 which includes balances of Kshs.2,906,955 and Kshs.128,852 in respect of trade creditors and other creditors respectively and as disclosed in Note 12 to the financial statements. However, the supporting documents including ledger schedule with detailed list of the suppliers, invoices, delivery notes, local service or local purchase order numbers, interim or completion certificates for the works done, issues and receipts vouchers and the dates when the bills were incurred to confirm the validity of the payables. Further, other creditors included prepaid fees of an amount of Kshs.128,852 which were not supported with student details. The Management did not prepare an ageing analysis to assess the status of outstanding balances due to the creditors and the length of time they had remained outstanding.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.3,035,807 could not be confirmed.

4. Cash and Cash Equivalents

4.2.1 Undisclosed and Unsupported Bank Balances

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.83,755 which includes balances of Kshs.75,895 and a negative balance of Kshs.7,859 in respect of bank balance and cash in hand respectively and as disclosed in Note 8 and Note 9 to the financial statements. The bank balance of Kshs.75,895 were in respect of four (4) bank accounts. However, review of bank account register and preamble information to the financial statements in respect of school bankers revealed that one (1) bank accounts held in local banks was not disclosed in the financial statements. Further, cash books, certificate of bank balances and bank reconciliation statements in respect of the bank accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.83,755 could not be confirmed.

4.2.2 Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.83,755 which includes balances of Kshs.75,896 and Kshs.7,859 in respect of bank balance and cash in hand respectively and as disclosed in Note 8 and Note 9 to the financial statements. The bank balance of Kshs.75,896 were in respect of four (4) bank accounts which were not supported by certificate of bank balances, cash books and bank reconciliation statements. In addition, the cash in hand balance of Kshs.7,859 was not supported with board of cash survey report.

In the circumstances, accuracy and completeness of cash and cash equivalents balance of Kshs.83,755 could not be confirmed.

5. Unsupported Capitation Grants

The statement of receipts and payments reflects an amount of Kshs.2,969,166 and Kshs.12,913,979 in respect of capitation grants for tuition and operations and as disclosed in Notes 1 and 2 to the financial statements. However, supporting documents including NEMIS student data and acknowledgment receipts, school student enrolment registers and bank statements were not provided for audit review.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of amounts of Kshs.2,969,166 and Kshs.12,913,979 could not be confirmed.

6. Unsupported School Fund Account - Parents Contribution

The statement of receipts and payments reflects an amount of Kshs.12,406,747 in respect of school fund account - parent's contributions/fees and as disclosed in Note 3 to the financial statements. However, supporting schedules including student fee receipts statements and bank statements were not provided for audit review.

In the circumstances, the accuracy and completeness of school fund account - parent's contributions/fees of an amount of Kshs.12,406,747 could not be confirmed.

7. Unsupported School Fund Account - Other Receipts

The statement of receipts and payments reflects an amount of Kshs.163,852 in respect of school fund account - other receipts and as disclosed in Note 4 to the financial statements. However, supporting schedules including official receipts statements and bank statements were not provided for audit review.

In the circumstances, the accuracy and completeness of parent's contributions/fees-school fund account of an amount of Kshs.163,852 could not be confirmed.

8. Unsupported Personnel Emoluments

The statement of receipts and payments reflects payments for operations of an amount of Kshs.13,401,840 which include an amount of Kshs.3,523,891 in respect of personnel emoluments and as disclosed in Note 6 to the financial statements. However, supporting documents including payrolls and approved staff establishment were not provided for audit.

In the circumstances, the accuracy and completeness of personnel emoluments expenditure of Kshs.3,523,891 could not be confirmed.

9. Unsupported Payments for Lunch Programme

The statement of receipts and payments reflects payments for boarding and school fund of an amount of Kshs.10,509,528 which includes an amount of Kshs.9,458,510 in respect of lunch programme and as disclosed in Note 9 to the financial statements. However, examination of payment vouchers revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes,

inspection reports, goods received notes, certificate of payments. Further review of the payment schedule revealed that, payments schedules did not have cheque numbers and food stuffs were purchased in cash from local markets and supermarkets. This was contrary to the Public Procurement and Asset Disposal Regulations, 2020 which allows expenditure under low value procurement under Section 107 of the Public Procurement and Asset Disposal Act, 2015 to an amount of Kshs.50,000 per item per financial year.

In the circumstances, the accuracy and completeness of lunch programme payments of an amount of Kshs.9,458,510 could not be confirmed and Management was in breach of the law.

10. Unsupported Bank Loan

Review of other important disclosure reflects balance of Kshs.1,063,457 in respect of loan balance. However, the supporting documents including approval authorities from Ministry of Education, Board of Management approval minutes, loan contract agreement, bank statement and loan repayment schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of the bank loan balance of Kshs.1,063,457 could not be confirmed.

11. Inaccuracies in the Financial Statements

11.1 Variance Between the Financial Statements and Comparative Balances

The financial statements reflect twenty-three (23) comparative balances which varies with the prior year 2020/2021 f audited statements comparative balances as shown below:

Component Description	Financial Statements for 2021/2022 (Kshs.)	Audited Financial Statements 2020/2021 (Kshs.)	Variance (Kshs.)
Statement of Receipts and Payments			
School Fund Income - Parents Contribution	3,719,519	121,131	3,598,388
School Fund Income - Other Receipts	67,417	3,719,519	(3,652,102)
Total Receipts	11,421,194	11,474,912	(53,718)
Boarding Payments	3,581,265	3,881,265	(300,000)
Total Payments	11,418,415	11,718,415	(300,000)
Surplus	0	(243,503)	243,503
Statement Of Financial Assets and Liabilities			
Bank Balances	1,138,262	639,613	498,649
Total Cash And Cash Equivalents	1,217,355	718,706	498,649
Total Financial Assets	1,523,621	1,024,972	498,649
Net Financial Assets	(110,824)	(609,474)	498,650

Component Description	Financial Statements for 2021/2022 (Kshs.)	Audited Financial Statements 2020/2021 (Kshs.)	Variance (Kshs.)
Surplus/Deficit	(243,503)	2,970,737	(3,855,798)
Net Financial Position	(143,767)	3,070,474	(3,137,954)
Statement of Cash Flow			
Capitation Grants for Tuition	1,051,209	1,150,209	(99,000)
School Fund Income - Parents Contribution	3,719,519	2,902,674	816,845
School Fund Income - Other Receipts	163,852	4,019,650	(3,855,798)
Total Receipts	11,517,633	14,655,587	(3,137,954)
Payments for Tuition	1,051,689	1,020,124	31,565
Payments for Operation	6,785,461	6,783,461	2,000
Total Payments	11,718,415	11,684,850	33,565
Net Cashflow from Operating	0	2,970,737	(2,970,737)
Net Increase in Cash and Cash Equivalents	(200,782)	2,970,737	(3,171,519)
Cash and Cash Equivalents at Beginning of the Year	718,706	0	718,706
Cash and Cash Equivalents at Year End.	517,924	2,970,737	(2,452,813)

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

11.2 Variance Between the Comparative balances in the Financial Statements and Notes to the Financial Statements

The financial statements reflect eight (8) comparative balances in the Notes to the financial statements which varies with the prior year 2020/2021 audited financial statements comparative balances which are also inconsistent with the comparative balances in the statement of performance and statement of financial position respectively as shown below:

Components	Notes	Financial Statements for 2021/2022 (Kshs.)	Audit Certificate Financial Statements 2020/2021 (Kshs.)	Variance (Kshs.)
Parents Contributions - School Fund Account	3	3,719,519	121,131	3,598,388
Other Receipts-School Fund Account	4	67,412	2,902,672	(2,835,260)
Electricity and Water	6	315,262	351,262	(36,000)
Boarding and School Fund Payments	10	3,581,265	3,881,265	(300,000)

Components	Notes	Financial Statements for 2021/2022 (Kshs.)	Audit Certificate Financial Statements 2020/2021 (Kshs.)	Variance (Kshs.)
Accounts Payable	12	1,634,445	1,256,251	378,194
Fund Balance Brought Forward	13	99,736	(535,040)	634,776
Biological Assets	15	238,350	0	238,350
Borrowing	21	869,252	0	869,252

In the circumstances, the accuracy and completeness of the comparative balances in the Notes to the financial statements could not be confirmed.

11.3 Statement of Receipts and Payments

11.3.1 Inaccuracy and Variances

Statement of receipts and payments reflects total receipts of payments of an amount of Kshs.228,453,744 which is at variance with the re-calculated total receipts of Kshs.28,453,744 resulting to unexplained and unreconciled variance of Kshs.200,000,000. Further, the statement reflects total payments of Kshs.20,146,345 which includes an amount of Kshs.3,881,265 in respect of boarding and school fund payments and as disclosed in Note 7 to the financial statement which is at variance with an amount of Kshs.10,509,528 reflected in the Notes resulting to unexplained and unreconciled variance of Kshs.6,628,263. In addition, the statement did not disclose re-calculated surplus amount of Kshs.1,679,136.

In the circumstances, the accuracy and completeness of amounts in the statement of receipts and payments could not be confirmed.

11.3.2 Variances Between Financial Statements and Supporting Schedules

The audit revealed four (4) items with variances between the statements of receipts and payments and supporting schedules as detailed below:

Item Description	Note	Financial Statements Amount (Kshs.)	Supporting Schedule Amount (Kshs.)	Variance (Kshs.)
Payments for Tuition	5	2,863,239	2,839,740	23,499
Payments for Operation	6	13,401,841	3,726,625	9,675,216
Payment for Infrastructure - MIF	6	4,451,000	4,461,229	(10,229)
Payment for Boarding and School Fund	7	10,509,528	10,173,182	336,346

The resultant variances have not been explained or reconciled.

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

11.4 Statement of Assets and Financial Liabilities

11.4.1 Inaccuracy in Surplus Balance

The statement of financial assets and financial liabilities reflects net financial position balances of Kshs.1,566,640 which includes balances of Kshs.73,010 and Kshs.1,493,630 in respect of accumulated fund brought forward and surplus/deficit respectively. However, review of the statement of receipts and payments reflects re-calculated amount of Kshs.1,679,136 in respect of surplus resulting to unexplained and unreconciled variance of Kshs.185,506 and re-calculated net position of Kshs.1,752,146.

11.4.2 Unbalanced Statement of Assets and Financial Liabilities

The statement of financial assets and financial liabilities reflects balances of Kshs.83,011 in respect of net financial assets which is at variance with balance of Kshs.1,566,640 in respect of net financial position resulting to an unexplained and unreconciled variance of Kshs.1,483,629.

In the circumstances, the accuracy and completeness of balances in the statement of assets and liabilities could not be confirmed.

11.5 Statement of Cash Flows

11.5.1 Inaccuracies in the Statement

The statement of cash flows reflects cash and cash equivalents balance of Kshs.8,639,817 which is at variance with the balance reported in the statement of financial assets and financial liabilities balance of Kshs.83,755 resulting to unexplained and unreconciled variance of Kshs.8,556,062.

11.5.2 Variance Between amounts in the Statements of Receipts and Payments and The Statement of Cash Flows

The financial statements presented for audit reflects two (2) items in the cash flows statements which were at variance with those reflected in the statement of receipts and payments as detailed below:

	Statements of Receipts and Payments (Kshs.)	Statements of Cash Flows (Kshs.)	Variance (Kshs.)
Government Grants for Operations	12,406,747	12,221,241	185,506
Total Receipts	228,453,744	28,268,238	200,185,506

In the circumstances, the accuracy and completeness of amounts in the statement of cash flows could not be confirmed.

11.6 Statement of Budgeted versus Actual Amounts

The statement of budgeted versus actual amounts reflects final income budget and actual on a comparable basis of Kshs.5,969,808 and Kshs.12,883,979 resulting to over-funding

of an amount of Kshs.6,914,171 respectively. The statement also reflects final expenditure budget and actual on a comparable basis of Kshs.6,344,208 and Kshs.13,401,841 resulting to over-expenditure of an amount of Kshs.7,057,633 respectively. However, re-casting the accuracy of the statement revealed budgeted and actual income of Kshs.17,634,315 and Kshs.26,362,673 resulting to over-funding of Kshs.8,728,358 which resulted to unreconciled variance of Kshs.11,664,507, Kshs.13,478,694 and Kshs.1,814,187 respectively. Similarly, re-casting the accuracy of the statement revealed budgeted and actual expenditure of Kshs.9,971,441 and Kshs.16,265,080 resulting to over-expenditure of Kshs.6,293,639 resulting to unreconciled variance of Kshs.3,627,233, Kshs.2,863,239 and Kshs.756,994 respectively.

Further, review of the statement revealed that the actual receipts and expenditure on a comparable basis of Kshs.10,509,528 and Kshs.13,401,841 respectively which were at variance with amounts in the statements of receipts and payments amounts of Kshs.228,453,744 and Kshs.20,146,345 resulting to unexplained and unreconciled variance of Kshs.217,9444,216 and Kshs.6,744,504 respectively.

In the circumstances the accuracy and completeness of the amounts in the statement of budgeted versus actual amounts could not be confirmed.

11.7 Fund Balance brought Forward

The statement of financial assets and financial liabilities reflects balance of Kshs.73,010 which includes balances of Kshs.75,896, Kshs.7,859, Kshs.3,035,063 and Kshs.3,045,808 in respect of fund balance brought forward and as disclosed in Note 13 to the financial statements. However, the balances were in respect of current year 2021/2022 which were at variance with the previous year 2020/2021 audited balances of Kshs.99,736 which resulted to unexplained and unreconciled variance of Kshs.26,726.

In the circumstances, the accuracy and completeness of fund balance brought forward balance of Kshs.73,010 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bishop Abiero Shaurimoyo 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects re-computed final receipts budget and actual on a comparable basis of Kshs.17,634,315 and Kshs.26,362,673 respectively resulting to over-funding of an amount of Kshs.8,728,358 or 49% of the budget. However, the School spent re-computed amount of Kshs.16,265,080 against

actual receipts of Kshs.26,362,673 resulting to an under-utilization of Kshs.10,097,593 or 38% of actual receipts.

The over-funding results in non-adherence to budget preparation guidelines limiting delivery of services to the public and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm 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 payments for operation of an amount of Kshs 13,401,841 as disclosed in Note 6 to the financial statements which includes an amount of Kshs.3,945,071 in respect of administration cost. Review of administration cost included transferred to Kenya Secondary School Heads Association (KESSHA) totalling to Kshs.542,500. 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.542,500 could not be confirmed.

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of amounts of Kshs.2,969,166 and Kshs.12,913,976 respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, National Education Management and information System (NEMIS) reported a total number of nine hundred and forty-two (942) students while the enrolment records provided by the School indicated a total number of nine hundred and fifty (950) students, resulting to an unexplained variance of eight (8) students. As a result of the variances, the School was under-funded by an amount of Kshs.66,442.

In the circumstances, the under-funding of the School may have affected service delivery to the schools and value for money could not be confirmed.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling to Kshs.15,883,142 and as disclosed in Notes 1 and 2 to the financial statements. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year/period 2021/2022, NEMIS reflected nine hundred and forty-two (942) students while records from the County Director of Education had nine hundred and fifty (950) students, resulting to an under-funding of the School by amount totalling Kshs.66,442. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

4. Under Supply of Books

During the year/period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed eight hundred and sixty (860) books to the School while the School had more student totalling to nine hundred and fifty (950) students resulting to ninety (90) students who were not issued with text books.

In the circumstances, under supply of ninety (90) text books affected the planned learning activities and may have impacted negatively on service delivery to the students.

5. Failure to Prepare School Improvement Plan

During the year/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 key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation. Further, physical verification of the dormitories within the school revealed that they were overcrowded and therefore do not meet the requirements of Regulation 83(k) which requires the space between beds to be at least 1.2 meters for institutions with boarding facilities

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

6. Unreconciled Transfer Infrastructure Funds

The statement of receipts and payments reflects capitation grants for operations of Kshs.12,913,979 which includes an amount of Kshs.4,451,000 in respect of maintenance

and improvement funds and as disclosed in Note 2 to the financial statements. However, review of the operations accounts revealed that total amount of Kshs.5,334,630 was transferred to the school infrastructure account resulting to an unexplained and unreconciled difference of Kshs.883,630. This was contrary Ministry of Education Circular Ref No: MOE.HQS/3/13/3 dated 16 June, 2021 which states that that 'infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account'.

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

7. Virement of Funds

The statement of receipts and payments reflects payments for tuition of an amount of Kshs.2,861,239 which includes an amount of Kshs.2,861,439 in respect of teaching and learning materials and as disclosed in Note 5 to the financial statements. Review of the payment schedule provided for audit revealed a transfer of Kshs.178,101 and Kshs.90,000 from tuition account to the operations and school fund account respectively. This is contrary to the Ministry of Education Circulars dated 9 January, 2008 and 16 June, 2021 which state that 'under the operations accounts schools may seek authority from the County Education Boards (CEBs) to vire savings or surplus funds from one item to another where it is absolutely necessary but no 'Virement from the Tuition Account will be allowed'. In addition, virement of funds from infrastructure account is not allowed as guided by Paragraph 3.13 of Circular MOE.HQS/3/10/18/ (112).

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

8. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflects parents contribution/fees of an amount of Kshs.12,406,747 in respect of school lunch programme and as disclosed in Note 3 to the financial statements. Further review of the School's fees structure for the year under review revealed that the school charged Kshs.4,000 per student in respect of lunch programme. However, review of key school information on page iv revealed that the school student population during the year was nine hundred and fifty (950) resulting total receipts of Kshs.3,800,000 in respect to lunch program which was at variance with the total receipts of Kshs.12,406,747 resulting to collections of unapproved school fees of Kshs.8,606,747. 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 parent 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.

9. Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.228,453,744 and Kshs.20,146,345 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.

10. Irregular Procurement of Construction of Laboratory and 10 No. Doors Latrines

The statement of receipts and payments reflects payments for operations of an amount of Kshs.13,401,841 which includes an amount of Kshs.4,451,000 in respect of maintenance and improvement funds and as disclosed in Note 6 to the financial statements. Review of financial records revealed that the payments were in respect of the construction of laboratory, classroom and 10 No. doors latrines. However, the procurement was done by the Board of Management contrary to Sections 46, 78 and 84 of the Public Procurement and Assets Disposal Act of 2015. Further, review of the School infrastructure committee minutes revealed poor workmanship in respect of the construction of laboratory building which resulted to recommendation for the demolition of the slab and later approved rebuilding of the school laboratory. However, reports from the Ministry of Public works in relation to the demolition and recommending the resumption of works on re-building the laboratory, contract agreement and interim payment certificate and payment vouchers were not provided for audit review. Further, audit verification on 5 May, 2024, revealed that the ground floor was completed but equipment were not installed and upper floors not completed.

In addition, review of the infrastructure payment schedule provided for audit review revealed that payments in respect of the infrastructure payments were made in cash payments to individual persons and local hardware. This was contrary to the Public Procurement and Asset Disposal Regulations, 2020 which allows expenditure under low value procurement under Section 107 of the Public Procurement and Asset Disposal Act, 2015 to an amount of Kshs.50,000 per item per financial year.

In the circumstances, value for money on the construction of the laboratory and the 10-door latrine could not be confirmed.

11. Irregular Payment of Board of Management Allowances

Review of Board of Management records revealed that the Board members were paid between Kshs.3,000 and Kshs.7,000 in respect of transport reimbursements and allowances above the approved rates of Kshs.5,000 and Kshs.4,000 respectively for chairman and members. This was contrary to the Salaries and Remuneration Commission Circular of 16 April, 2014 on the payment of taskforce allowance and remuneration of commission of inquiry, tribunal, boards and committees appointed by Government. Further review of Board of Management records revealed that the Board of Management minutes provided were not signed by the Chairman and the Secretary to the Board, attendance registers were not maintained for Board meetings, personal files for Board members did not contain the CV, appointment letters, acceptance of appointments and ID. This was contrary to sections of the Basic Education Act, 2013 in relations to the appointment of the Board Members.

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

12. Failure to Maintain Complete Fixed Asset Register

Review of Annex 2 to the financial statements in respect to summary of fixed assets register of the balance of Kshs.12,306,927. However, the fixed assets register provided for audit review did not include classes of assets separately, date of acquisition, supplier, condition, and price in Kenya shillings. Further, buildings, land, school desks and chairs were not included and the title deed for the school land was not provided for audit review. In addition, laptops, fridge, TV, cooker, UPS, photocopier machine, desktop computer did not have serial numbers recorded in the assets register. This was contrary to Regulations 143(1)(2) of the of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent Management details.

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

13. Unapproved Budget

The budget amounts presented in the statement of budgeted versus actual amounts were not supported by approved budget. This was contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations.(2) The Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his National Government entity during the financial year and the estimates are submitted to The National Treasury in the manner and format to be issued by the Cabinet Secretary'.

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

14. Budget Imbalance

The statement of budgeted versus actual amounts reflects a final income budget of Kshs.8,037,274 and final expenditure budget of Kshs.6,344,208 resulting to a difference of Kshs.1,693,066. The budget imbalance is contrary to the provisions of Section 33(c) of the Public Finance Management (National Governments) Regulations, 2015, which states that budget revenue and expenditure appropriation shall be balanced.

In the circumstances, Management was in breach of the law

15. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The review of the annual report and financial statements submitted for audit review revealed the following anomalies:

- i. The balances included in the summary report on the preamble information on page ix are not consistent with the balances in the financial statements.
- ii. Dates when the financial statements were approved not indicated on the financial statements.

In the circumstances, Management did not comply with guidelines issued by Public Sector Accounting Standards Board (PSASB).

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

The financial statements for Bishop Abiero Shaurimoyo School for the period ended 30 June, 2022 were submitted to the Auditor-General for audit on 09 May, 2024, a delay of twenty (20) months after the end of the fiscal year to which the accounts relate. This is contrary to Section 47 of the Public Audit Act, 2015 which states that 'the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate'.

The Management was therefore 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 in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 because of the significance of the matters discussed in the Basis for Adverse Opinion and 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 internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee (Internal Controls, Risk Management and Governance)

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

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

2. School's Board of Management

Review of Board minutes and governance structure for the School revealed that the Management failed to establish finance, procurement and general purposes committee to provide strategic guidance on public finance management matters as required by 61(2) of the Basic Education Act, 2013. Further, the annual work plan and the appointment letters for the Board members were not provided for audit.

In the circumstances, the effectiveness of internal controls and governance provision of strategic guidance on public finance Management in the School could not be confirmed.

3. Lack of Risk Management Policy and IT Policy

Review of the documents provided for audit revealed that the School Management had not established a Risk Management Policy to guide on the development of risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations'. In addition, the School did not approved Information Technology Policy for governance and management of its ICT resources

In the circumstances, the effectiveness of risk management could not be confirmed.

4. Lack of Insurance Cover for Assets

Review of the financial statements and assets records revealed that the School Management did not have insurance cover for its assets and equipment.

In the circumstances, the School is exposed to losses without compensation in case of fire, theft or any other unforeseen calamities.

5. Weak Human Resource Management Practices

Review of personnel records show that the school does not have in place a human resource policy, an approved salary structure, an approved scheme of service for its staff, defined job categories by profession, qualifications and experience, career progression and conditions of progression. In the absence of the scheme of service, it was not possible to ascertain how recruitments, promotion and rewards of staff were determined. This has the effect of creating unfair human resource practices affecting employee's morale negatively.

In addition, the payrolls were maintained in excel format which can be altered without a trail. The payrolls do not include personal numbers, date of employment, date of retirement and job grade of the employees.

In the circumstances, the regularity of personnel emoluments could not be confirmed.

6. Management of Scholarship and Bursaries

Review of the school fund income - parents contribution fee records revealed that the School received a total of Kshs.244,000 in respect of bursary awards from a local

constituency. However, the School's management did not maintain a complete list of students issued with bursaries/scholarships indicating the admission numbers and financiers/donors. Further, School's did not maintain manual enrolment register and NEMIS for the students during the year under review.

In the circumstances, effectiveness of controls over management of student enrolment could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing and 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 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 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

I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

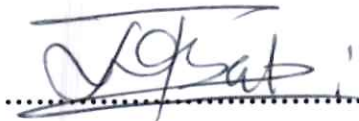
14 January, 2025

**Bishop Abiero Shaurimoyo Secondary School
Reports and Financial Statements For the year ended 30th June 2022**

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

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	2,969,166	1,051,209
Capitation grants for operations	2	12,913,979	6,583,054
School fund income- parents' contributions	3	12,406,747	3,719,519
School fund income- other receipts	4	163,852	67,412
Proceeds from borrowings			
Total Receipts		228,453,744	11,421,194
Payments			
Payments for tuition	5	2,863,239	1,051,689
Payments for operations	6	13,401,841	6,785,461
Boarding and school fund payments	7	3,881,265	3,581,265
Total Payments		20,146,345	11,418,415

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



Name: Mr. Obat Titus
Chair BOM

Date: 21/7/2022

for 

Name: Mr. Mong'are Elijah
School Principal/ Secretary to BOM

Date: 21.7.2022



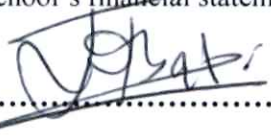
Name: Mr. Osoro Allance
Bursar/ Finance Officer

Date: 21.7.2022

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

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	75,895	1,138,262
Cash balances	9	7,859	79,093
Short term investment	10	-	-
Total cash and cash equivalent		<u>83,755</u>	<u>1,217,355</u>
Account's receivables	11	3,035,063	306,266
Total financial assets		3,118,818	1,523,621
Financial liabilities			
Accounts payables	12	3,035,807	1,634,445
Net financial assets		<u>83,011</u>	<u>(110,824)</u>
Represented by			
Accumulated fund b/fwd	13	73,010	99,736
Surplus/deficit for the year		1,493,630	(243,503)
Net financial position		1,566,640	(143,767)

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



Name: Mr. Obat Titus

Chair BOM

Date: 22/7/2022



Name: Mr. Mong'are Elijah
 School Principal/ Secretary to
 BOM

Date: 21-7-2022



Name: Mr. Osoro Allance

Bursar/ Finance Officer

Date: 21-7-2022

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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	2,969,166	1,051,209
Capitation grants for operations	2	12,913,979	6,583,053
School fund income- parents contributions/ fees	3	12,221,241	3,719,519
School fund income- other receipts	4	163,852	163,852
Total receipts		28,268,238	11,517,633
Payments			
Payments for tuition	5	2,863,239	1,051,689
Payments for operations	6	13,401,841	6,785,461
Boarding and school fund payments	7	3,881,265	3,881,265
Total payments		20,146,345	11,718,415
Net cash flow from operating activities			
Cashflow from investing activities			
Net cash flows from investing activities		8,121,893	-
Net increase in cash and cash equivalents		8,121,893	(200,782)
Cash and cash equivalent at beginning of the year		517,924	718,706
Cash and cash equivalent at end of the year		8,639,817	517,924

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

Receipt/Expenses Item	Original Budget	Adjustments Opening balance (C/Bk) and AIA	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
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Teaching / Learning Materials	3,463,200.00	164,033.00	3,627,233.00	2,969,166.00	658,067.00	81.9%
TOTAL	3,463,200.00	164,033.00	3,627,233.00	2,969,166.00	658,067.00	81.9%
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	1,333,800.00		1,333,800.00	3,963,500.00	(2,629,700.00)	297.2%
Repairs And Maintenance	2,808,000.00		2,808,000.00	4,451,000.00	(1,643,000.00)	158.5%
Local Transport / Travelling	686,088.00		686,088.00	1,650,002.00	(963,914.00)	240.5%
Electricity And Water	313,560.00		313,560.00	1,264,947.00	(951,387.00)	403.4%
Administration Costs	828,360.00		828,360.00	1,554,530.00	(726,170.00)	187.7%
Activity						
Bank Charge						
TOTAL	5,969,808.00		5,969,808.00	12,883,979.00	(6,914,171.00)	215.8%
<i>(3) Fees Charged on Parents</i>	7,862,400.00	174,874.00	8,037,274.00	10,509,528.00	(2,472,254.00)	130.8%
<i>(1) Expenditure For Tuition</i>						
Textbooks And Reference Materials	3,463,200	164,033	3,627,233	2,863,239	763,994	78.9%
TOTAL	3,463,200	164,033	3,627,233	2,863,239	763,994	78.9%

Bishop Abiero Shaurimoyo Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments Opening balance (C/Bk) and AIA	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
(2) Expenditure For Operations						
Personnel Emoluments	1,333,800		1,333,800	3,523,891	(2,190,091)	465%
Repairs, Maintenance & Improvements	2,808,000		2,808,000	4,451,000	(1,643,000)	158.5%
Local Transport / Travelling	686,088		686,088	715,700	(29,612)	104.3%
Electricity, Water and Conservancy	313,560		313,560	690,299	(376,739)	220.1%
Bank charges	-		-	5,280	(5,280)	
Administration Costs	828,360		828,360	3,945,071	(3,116,711)	476.3%
Activity Expenses			374,400	70,600	(70,600)	
TOTAL	6,344,208					
(3) Expenditure For School Fund			6,344,208	13,401,841	(7,050,633)	211.2%
Totals						

- i. Under funding
- ii. Under budget estimation

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

Significant Accounting Policies (Continued)

- 5. Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
- 6. Accounts Payable**
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
- 7. Non-current assets**
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
- 8. Budget**
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.
- 9. Comparative figures**
Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.
- 10. Subsequent events**
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching / Learning Materials	2,969,166.00	1,051,209.00
TOTAL	2,969,166.00	1,051,209.00

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	3,963,500.00	1,800,818.00
Repairs And Maintenance	4,451,000.00	2,548,000.00
Local Transport / Travelling	1,650,002.00	807,011.00
Electricity And Water	1,294,947.00	605,258.00
Administration Costs	1,554,530.00	821,967.00
Total	12,913,979.00	6,583,054.00

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee on lunch programme	12,406,747.00	3,719,519.00
TOTAL	12,406,747.00	3,719,519.00

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepayment	128,852.00	66,412.00
Tender fees	35,000.00	1,000.00
Total	163,852.00	67,412.00

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching / Learning Materials	2,861,439.00	1,051,209.00
Bank Charges	1,800.00	480.00
TOTAL	2,863,239.00	1,051,689.00

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	3,523,891.00	1,226,239.00
Administration Cost	3,945,071.00	2,384,450.00
Repairs And Maintenance & Improvements	4,451,000.00	2,548,000.00
Local Transport / Travelling	715,700.00	248,790.00
Electricity And Water	690,299.00	315,262.00
Medical	-	720.00
Activity Expenses	70,600.00	23,600.00
Bank Charges	5,280.00	2,400.00
Total	13,401,841.00	6,785,461.00

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Loan repayment	600,000.00	
Local Transport / Travelling	293,880.00	20,710.00
Electricity And Water	149,938.00	54,612.00
Lunch Programme	9,458,510.00	3,504,503.00
Bank Charges	7,200.00	1,440.00
Total	10,509,528.00	3,581,265.00

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1139295151002	13,950	164,033
Operations Account	1139295151001	13,115	315,539
School Fund Account/Boarding	1139766753500	47,804	160,041
Infrastructural Account	1139295151003	1,027	498,649
Total		75,896	1,138,262

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account		
Operation Account	840	61,100.00
School Fund account	1,481	3,160.00
Infrastructure	5,538	14,833.00
Total	7,859.00	79,093.00

10 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Total		

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	3,035,063	306,266.00
Total	3,035,063	306,266.00

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	2,728,797.00	306,266.00
Fee arrears for the previous year	306,266.00	
Fee arrears for prior periods (over two years)	-	
Total	3,035,063.00	306,266.00

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,906,955.00	1,319,235.00
Prepaid Fees	128,852.00	315,210.00
Total	3,035,807.00	1,634,445.00

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	1,965,913.00	941,042.00
Trade creditors for the previous year	914,042.00	
Total	2,906,955.00	914,042.00

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	75,895.70	97,235.15
Cash Balances	7,858.65	2,500.95
Receivables	3,035,063.00	-
Payables	3,045,807.53	
Total	73,009.82	99,736.10

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)	1,063,457.00	
Total	1,063,457.00	

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	2	126,000.00	126,000.00
Trees	321	112,350.00	112,350.00
Total	323	238,350.00	238,350.00

16 Borrowings

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

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	238,900.00	2,303,400.00
Stock/ inventory purchased during the year	19,716,646.00	4,090,000.00
Stock/ inventory issued during the year	19,739,690	6,093,400.00
Balance at end of the year	215,856.00	300,000.00

18

19 Progress On Follow Up Of Auditor Recommendations

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

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

 Sign and Date
 Principal

**Bishop Abiero Shaurimoyo Secondary School
Reports and Financial Statements For the year ended 30th June 2022**

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings					
1. Fortel Agencies	122,431.00			122,431.00	
2. Shadad Oindu	27,000.00			27,000.00	
Sub-Total	149,431.00			149,431.00	
Supply Of Goods					
3. Jevah Computers	10,000.00	14.4.2022	0	10,000.00	
4. Teresa Atieno Bange	100,000.00	16.5.2022		100,000.00	
5. Christine Ochieng	115,000.00	15.5.2022		115,000.00	
6. Fulchand Keshavji Shah	9,110.00	9.05/2022		9,110.00	
7. Joshu Enterprises	80,250.00	22.05.2022		80,250.00	
8. Copy Cat LTD	84,193.00	14.06.2022		84,193.00	
9. Awendo Ebenezer	853,421.00	23.03.2022		853,421.00	
10. Kitchen Staff Salaries	48,760.00	30.05.2022		48,760.00	
11. Jenipher Kwamboka	22,450.00	30.05.2022		22,450.00	
12. Jalweto Ventures	109,000.00	16.05.2022		109,000.00	
13. Flora Anyango Opar	15,600.00	30.05.2022		15,600.00	
14. Mowa Engineering	45,000.00	24.06.2022		45,000.00	
15. Lavender Amondi	146,190.00	16.05.2022		146,190.00	
16. Philicom Investment	140,000.00	16.05.2022		140,000.00	
17. Bishop Abiero Staff Welfare	24,600.00	14.04.2022		24,600.00	
18. Eunice Akinyi	24,000.00	13.04.2022		24,000.00	
19. Sheliz Enterprises	445,500.00	1.01.2016	360,000.00	85,500	

**Bishop Abiero Shaurimoyo Secondary School
Reports and Financial Statements For the year ended 30th June 2022**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
20. Jambita General Metal Works	110,000.00	16.05.2022		110,000.00	
21. Hawid General Supplies	354,000.00	1.01.2016	210,000.00	144,000.00	
Sub-Total	2,737,074.00		570,000	2,167,074.00	
Supply Of Services					
22. Danshiff Security Service	30,000.00	24.06.2022	0	30,000.00	
23. Mwamba & Gitonga Co.Advocates	100,000.00	20.04.2022	50,000.00	50,000.00	
24. BOM Teachers Staff Salary	82,000.00	30.05.2022		82,000.00	
25. Non-teaching Staff Salary	189,950.00	30.05.2022		189,950.00	
26. KIWASCO	15,000.00	30.05.2022		15,000.00	
27. KPLC	20,000.00	30.05.2022		20,000.00	
Sub-Total	436,950.00		50,000.00	386,950.00	
Grand Total	3,323,455.00		620,000.00	2,703,455.00	

**Bishop Abiero Shaurimoyo Secondary School
Reports and Financial Statements For the year ended 30th June 2022**

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Office Equipment, Furniture And Fittings		Admin Block	4,567,980.00	176,120.00	0	4,744,100.00
ICT Equipment, And Other ICT Assets	12.01.2021	Computer room	211,000.00	1,500.00	0	212,500.00
Tools And Apparatus		Laboratory	2,345,666.00	988,700.00	0	3,334,366.00
Textbooks		Bookstore	3,458,900.00	78,000.00	0	3,536,900.00
Other Machinery And Equipment	18.08.2021	Kitchen	58,336.00	27,165.00	0	85,501.00
Heritage And Cultural Assets	15.08.2016	Staffroom	234,560.00	69,000.00		303,560.00
Intangible Assets- Soft Ware	04.09.2021	Secretary's office	90,000.00	0		90,000.00
Total			2,703,455.00	1,340,485.00		12,306,927.00