

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
REPORT
DATE: 30 NOV 2023
Tabled BY: Hon Naomi Wase, MP
Deputy majority whip
OF
CLERK OF THE TABLE: A. elubuki

PARLIAMENT
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THE AUDITOR-GENERAL

ON

ST. MATHIAS BUSIA HIGH SCHOOL

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

BUSIA COUNTY



ST. MATHIAS BUSIA HIGH SCHOOL
P.O BOX 101-50400
BUSIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR 12 MONTHS
(1ST JULY 2021-30TH JUNE 2022)

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

ST. MATHIAS BUSIA SECONDARY SCHOOL

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

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I. Key School Information and Management

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

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Busia County, Busia Sub-County

The school was registered in 24/07/2007 under registration number GP/A/4720/07 and is currently categorized as a County (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had 802 numbers of students as at 30th June 2022. It has 04 streams and 41 teachers of which 03 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

Ref:	Name of Board Member	Designation	Date of appointment
1	PROF. PETER BARASA	Chairman	15/03/2022
2	PETER VIKIRU YAYAH	Secretary - Principal	15/03/2022
3	EVERLYNE NABWIRE	Member	15/03/2022
4	ERICK ORINDA	Member	15/03/2022
5	FRED MAMAI	Member	15/03/2022
6	AGNETA O. ACHIENG	Member	15/03/2022
7	ZAINAB JELLE	Member	15/03/2022
8	BENARD OLIKO	Member – Rep CEB	15/03/2022
9	FRANCISCA OTANGA	Member Rep Teachers	15/03/2022
10	DR. JANEROSE AMBUCHI, REV. FR. VICTOR ODUKHULA JOHN GICHU	3 Members - Sponsor	15/03/2022
11	DR. ROBERT WAFULA	Member - Community	15/03/2022
12	DISMAS OPILI	Member Special Needs	15/03/2022
13	JAMES WANYAMA	Rep Students	15/03/2022

Key School Information and Management (Continued)**The function of the School Board of Management includes:**

- 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	PROF. PETER BARASA, PETER VIKIRU, REV. FR. VICTOR ODUKHULA, EVARLYNE NABWIRE, PATROBA MANYURU		3 OUT OF 4
2	Audit Committee	MR. HELLEN MUKANDA, MR. DISMAS OPILI, MRS. AGNETA OMONDI, DR. ROBERT WAFULA, MR. OPAKASI GABRIEL, PETER VIKIRU		2 OUT OF 3
3	Finance, procurement and general purposes Committee	MR. JOHN GICHU, MR. BENARD OLIKO, MR. PATROBA MANYURU, MRS. EVALYNE NABWIRE, REV.		2 OUT OF 3

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

		FR. VICTOR ODUKHULA, PETER VIKIRU		
4	Academic Committee	DR. ROBERT WAFULA, MRS. HELLEN MUKANDA, MRS.OTANGA FRANCISCA, MR. PATROBA MANYURU, MR. ERICK OKINDA, PETER VIKIRU		3 OUT OF 4
5	Development Committee	DR. AMBUCHI JANEROSE, MR. PATROBA MANYURU, MRS. EVARLYNE NABWIRE,FR. VICTOR ODUKHULA, PROF. BARASA PETER,MR. GABRIEL OPAKASI, PETER VIKIRU		3 OUT OF 4
6	Discipline and welfare Committee	REV. FR. VICTOR ODUKHULA, MRS. AGNETA OMONDI, MR. PATROBA MANYURU,MR. FRED MAMI, JAMES WANYAMA PETER VIKIRU		3 OUT OF 3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	PETER VIKIRU YAYAH	347579
2	Deputy Principal	ELIUD MUSAKHI	366499
3	School Bursar	VINCENT OKUMU	N/A

(e) Schools contacts

Post Office Box: 101-50400 BUSIA
Telephone: +254798588828
E-mail: stmathiasbusia@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The following school operated seven numbers of bank accounts in the following banks:

1. Name of Bank: National bank
Branch: Busia
Account Number: 01242036501503
2. Name of Bank: National bank
Branch: Busia
Account Number: 01025036501500
3. Name of Bank: National bank
Branch: Busia
Account Number: 01021036501500
4. Name of Bank: National bank
Branch: Busia
Account Number: 01021036501501
5. Name of Bank: National bank
Branch: Busia
Account Number: 01242037200600

6. Name of Bank: KCB
Branch: Busia
Account Number: 1107344190

7. Name of Bank: Cooperative bank
Branch: Busia
Account Number: 01139239984100

8. MPESA Pay Bill No. 601925 attached to KCB (1107344190) bank account

(g) Independent Auditors

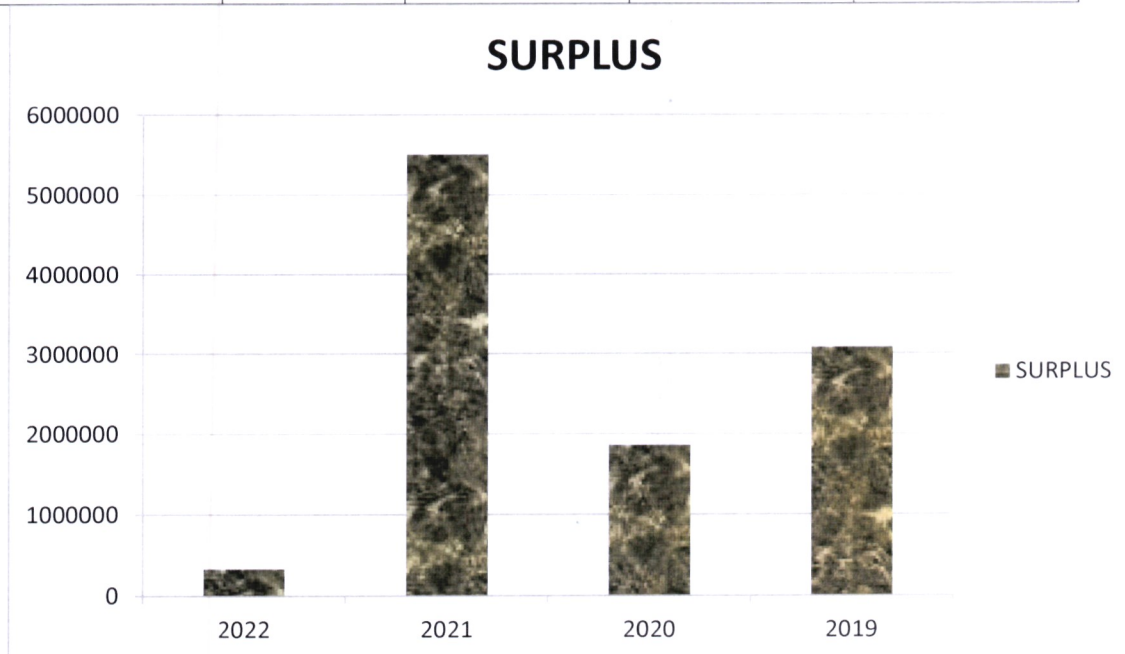
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

II. Summary Report of Performance of the School

a) **Financial performance:**

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

YEARS	2022	2021	2020	2019
SURPLUS	333,198.00	5,504,393	1,862,215	3,081,853
DEFICIT	0.00	0.00	0.00	0.00

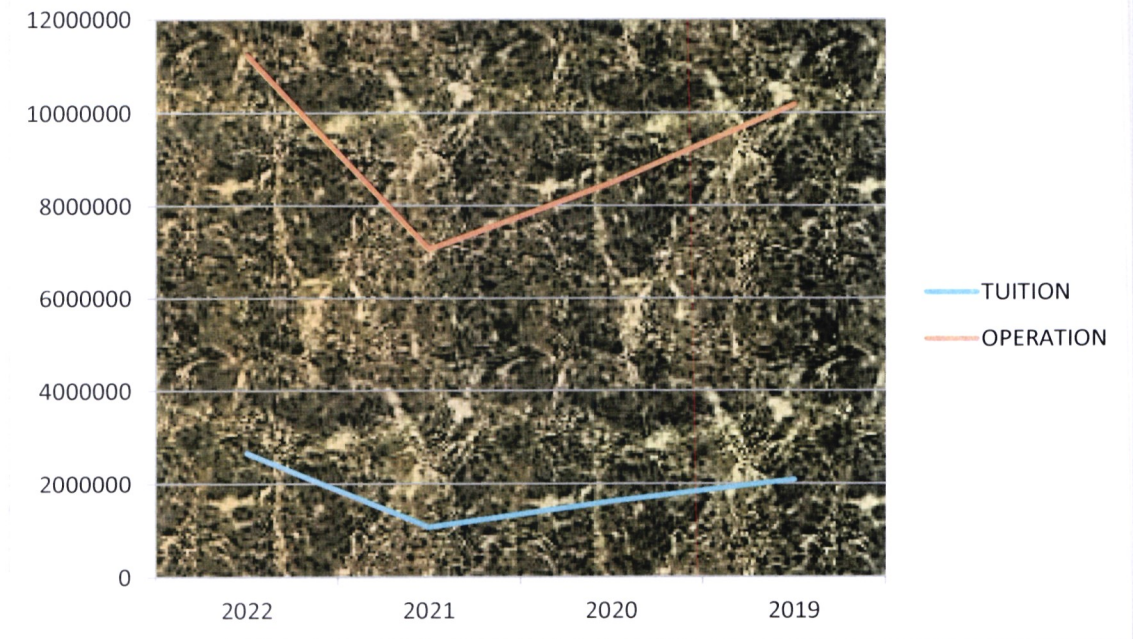


- *Capitation grants from the Ministry of Education for the last three years*

YEARS	2022	2021	2020	2019
TUITION	2,663,167.00	1,068,631.00	1,616,681.00	2,087,060.25
OPERATION	11,229,459.50	7,060,004.00	8,490,110.00	10,177,339.00

ST. MATHIAS BUSIA SECONDARY SCHOOL

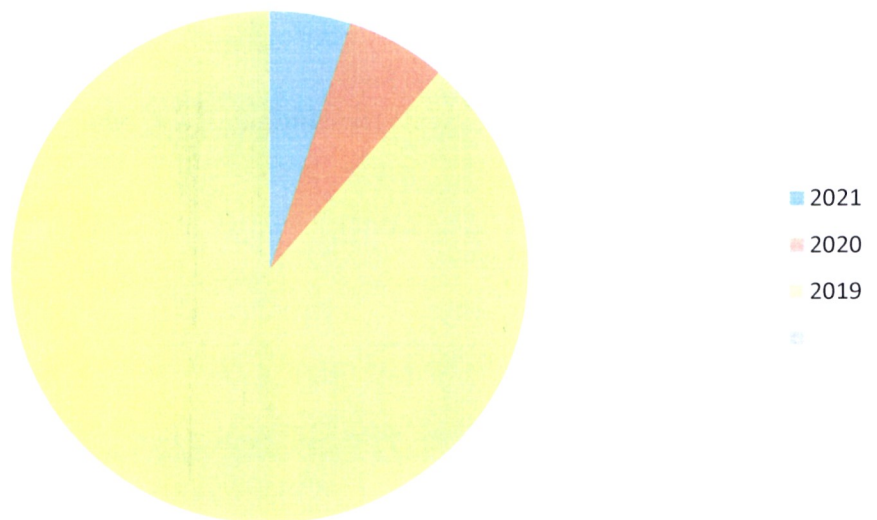
Reports and Financial Statements For the year ended 30th June 2022



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

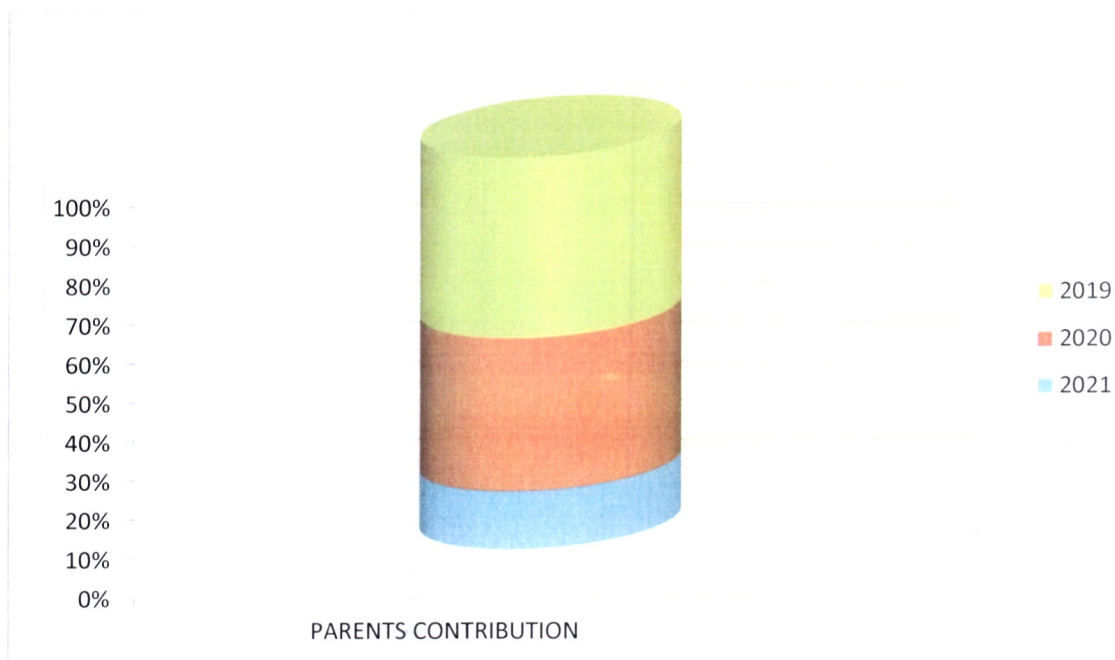
YEAR	2021	2020	2019
RATIO	10135.46	12601.98	17876.13

RATIO



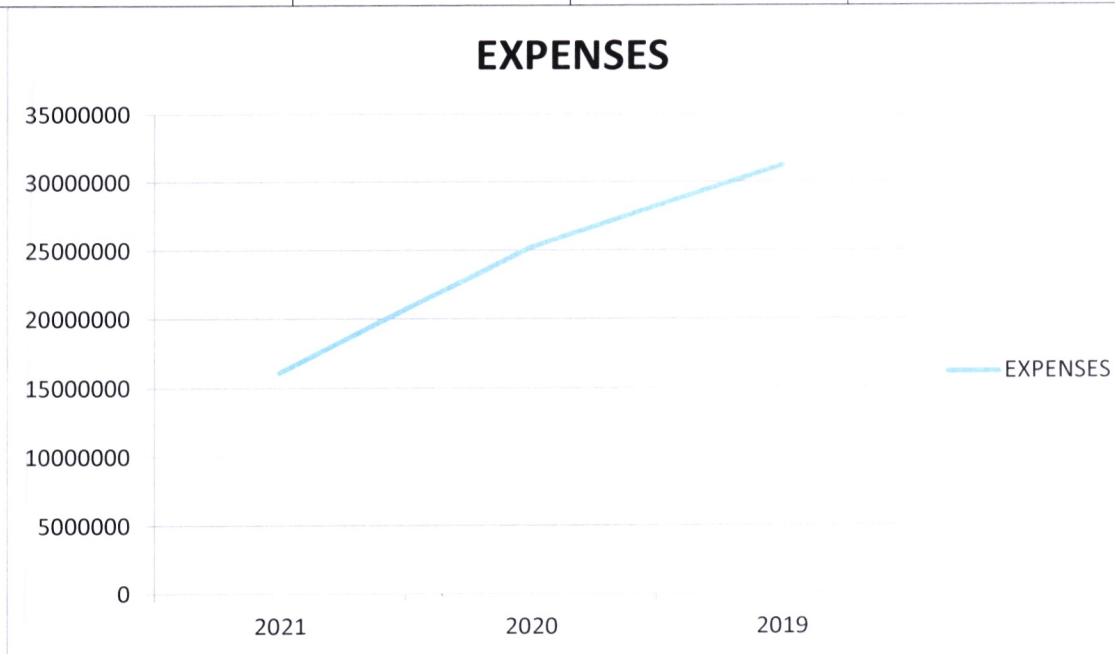
- *A three-year overview of growth of other income(s) earned by the school.*

YEARS	2021	2020	2019
PARENTS CONTRIBUTION	10,406,984.00	27,118,206	31,503,737.7



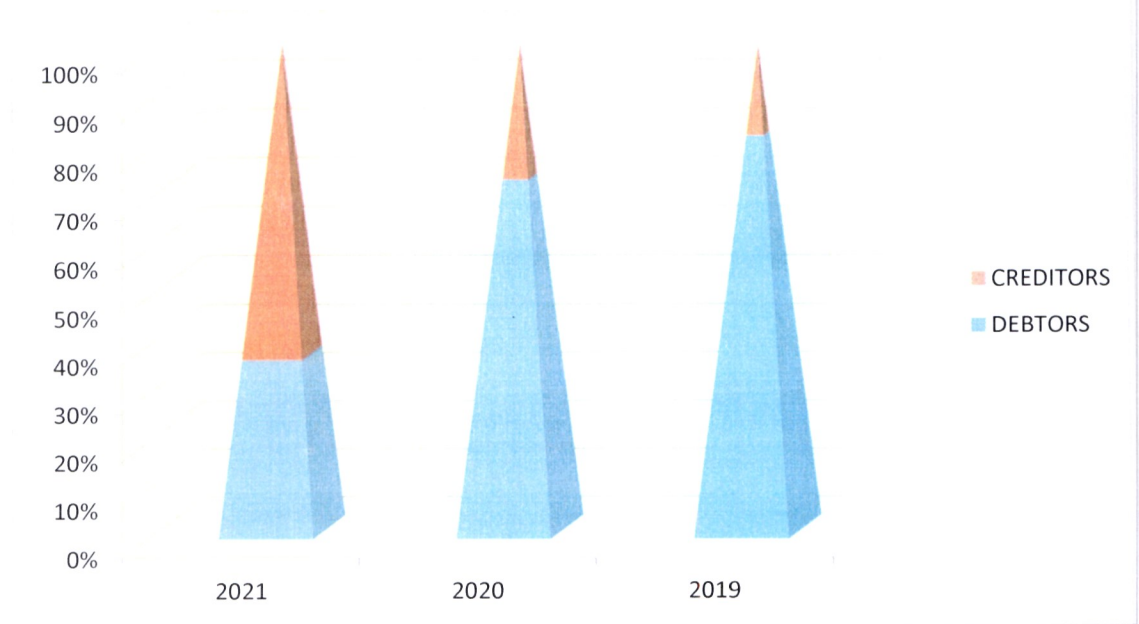
- A three-year overview of growth in expenditure of the school

YEARS	2021	2020	2019
EXPENDITURE	16,125,735	25,254,992	31,224,881



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

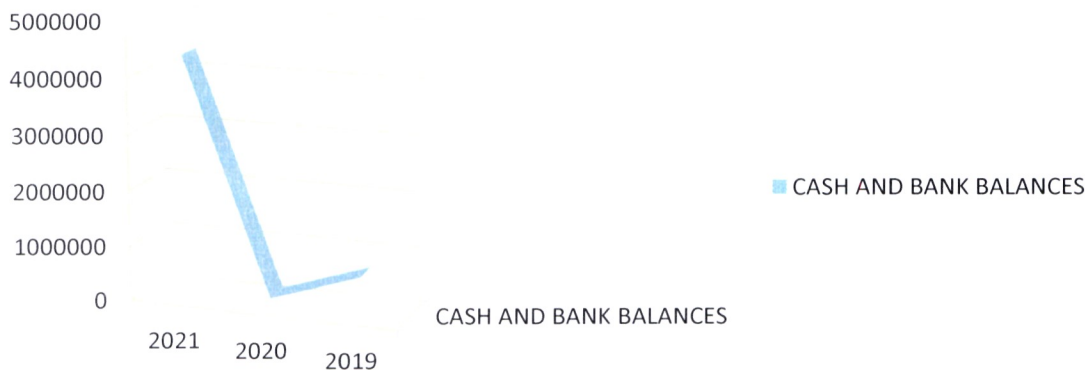
YEARS	2021	2020	2019
CREDITORS	3,617,475.00	10,875,377.70	9,107,526.00
DEBTORS	2,055,447.00	4,166,686.70	2,135,136.00



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

YEARS	2021	2020	2019
CASH & BANK BALANCES	4,377,536.00	146,968.55	715,453.35

CASH AND BANK BALANCES



b) **Teacher Student ratio:**

<i>Teachers recruited and posted</i>	<i>01</i>
<i>Teachers transferred</i>	<i>00</i>
<i>Teachers retired</i>	<i>01</i>
<i>Teachers employed by TSC</i>	<i>01</i>
<i>Teachers employed by BOM</i>	<i>02</i>
<i>Teachers to student ratio</i>	<i>1:19.50</i>

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

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN</i>	<i>GRADE</i>	<i>UNIVERSITY ENTRY</i>
<i>2021</i>	<i>172</i>	<i>4.8506</i>	<i>C-</i>	<i>24</i>
<i>2020</i>	<i>144</i>	<i>4.8403</i>	<i>C-</i>	<i>22</i>
<i>2019</i>	<i>117</i>	<i>5.3761</i>	<i>C-</i>	<i>28</i>

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

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

<i>YEARS</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>ENTRY</i>	<i>172</i>	<i>144</i>	<i>117</i>

e) **Capacity of the school:**

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

<i>FACILITIES</i>	
<i>DORMITORIES</i>	<i>04</i>
<i>DINNING HALL</i>	<i>01</i>
<i>LABORATORIES</i>	<i>02</i>
<i>LATRINES</i>	<i>32 doors</i>
<i>LIBRARY</i>	<i>01</i>
<i>CLASSES</i>	<i>16</i>

f) Development projects carried out by the school:

<i>YEAR</i>	<i>SOURCE</i>	<i>PROJECT</i>
<i>2022</i>	<i>MOE</i>	<i>CLASSROOMS</i>

.....
School Principal

Vikim Peter Yuyul
P. Yuyul



IV. 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 *ST. MATHIAS BUSIA 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.

Prof. Peter Barasa

for Name: ~~MAWA~~

Designation: Chairman, School Board of Management

Date: 20/10/23


Vikram Rishi Yengal

Name: 

Designation: School Principal & Secretary to Board of Management

Date: 25/10/23

20 OCT 2023

Vincent Okumu 

Name:

Designation: Bursar/ Finance Officer

Date: 20/10/2023

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ST. MATHIAS BUSIA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - BUSIA 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, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Mathias Busia High School – Busia County set out on pages 1 to 19, which comprise the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budgeted versus actual amounts

for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya 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 St. Mathias Busia High School – Busia County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Basic Education Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The financial statements prepared and presented for audit had the following anomalies: -

1.1 Discrepancies in Students Enrolment Data

The statement of receipts and payments reflects capitation for tuition of Kshs.2,321,022 and capitation grants for operations of Kshs.12,031,966 as respectively disclosed in Notes 1 and 2, all totalling to Kshs.14,352,988. Review of the National Education Management Information System (NEMIS) report and school manual enrolment register for the year under review revealed inconsistencies. Further, the variances resulted in under-funding of an amount of Kshs.1,400,992 which was unexplained and unreconciled as detailed below:

Month	Total Capitation (Kshs.)	Capitation per Students (Kshs.)	Number of Students per NEMIS	Number of Student per School Manual Register	Variance of NEMIS Enrolment and Manual Register	Under-Funding (Kshs.)
Operations - 2021/2022						
June	2,208,708	2,806	787	802	(15)	(42,090)
April	2,316,563	2955	784	802	(18)	(53,190)
January	1,625,780	2074	784	802	(18)	(37,332)
December (F1)	589,500	4500	131	184	(53)	(238,500)
December Q2 (Missed)	88,842.50	3554	25	25	0	0
October	2,697,258	3,554	759	802	(43)	(152,822)
July	2,947,500	4,500	655	802	(147)	(661,500)
Tuition - 2021/2022						
June	626,649	796	787	802	(15)	(11,944)
April	823,670	1051	784	802	(18)	(18,910)

Month	Total Capitation (Kshs.)	Capitation per Students (Kshs.)	Number of Students per NEMIS	Number of Student per School Manual Register	Variance of NEMIS Enrolment and Manual Register	Under-Funding (Kshs.)
January	374,752	478	784	802	(18)	(8,604)
December (F1)	95,630	730	131	184	(53)	(38,690)
December Q2 (Missed)	17,500	700	25	25	0	0
October	531,300	700	759	802	(43)	(30,100)
July	478,150	730	655	802	(147)	(107,310)
Total						(1,400,992)

In the circumstances, the accuracy and completeness of the capitation grants of Kshs.14,352,988 could not be confirmed.

1.2 Variances Between Financial Statements and Supporting Schedules

Review of the statement of receipts and payments revealed that three (3) items had amounts which were at variance with the supporting schedules provided for audit review as detailed below:

Details	Notes	Balances in 2021/2022 Financial Statements (Kshs.)	Balances in the Supporting Schedules (Kshs.)	Variance (Kshs.)
Capitation Grant for Tuition	1	2,321,022	2,947,651	626,629
Capitation Grant for Operations	2	12,031,966	12,474,152	442,186
Payments for Operation	6	13,364,510	13,326,065	38,445

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

1.3 School Fund Income- Parents' Contributions

The statement of receipts and payments reflects an amount of Kshs.22,220,233 in respect of school fund income - parents contributions as disclosed in Note 3 to the financial statements. However, review of supporting schedules revealed total fee collections of Kshs.20,767,347, resulting to unexplained and unreconciled variance of Kshs.1,452,886. Further, parents' contributions in respect of fees collection were not supported with bank statements.

In the circumstances, the accuracy and completeness of an amount of Kshs.22,220,233 in respect of School fund income - parents' contributions could not be confirmed.

1.4 Payments for Tuition

The statement of receipts and payments reflects an amount of Kshs.2,643,920 in respect of payments for tuition as disclosed in Note 5 to the financial statements. However, review of the supporting schedule including payment vouchers revealed Kshs.3,087,840, resulting to unexplained and unreconciled variance of Kshs.443,920. Further, the supporting documents including the invoices and delivery notes provided for audit were not supported with, requisition notes, local purchase orders (LPOs), store ledgers and issue notes.

In the circumstances, the accuracy and completeness of an amount of Kshs.2,643,920 in respect of payments for tuition could not be confirmed.

1.5 Boarding and School Fund Payments

The statement of receipts and payments reflects an amount of Kshs.22,752,253 in respect of payments for boarding and school fund payments as disclosed in Note 7 to the financial statements. However, review of the supporting schedule including payment vouchers revealed Kshs.27,945,369, resulting to unexplained and unreconciled variance of Kshs.5,193,116. Further, the supporting documents including the invoices and delivery notes provided for audit were not supported with, requisition notes, local purchase orders (LPOs), store ledgers and issue notes.

In the circumstances, the accuracy and completeness of an amount of Kshs.22,752,253 in respect of payments for boarding and school fund could not be confirmed.

1.6 Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects amounts of Kshs.36,573,222 and Kshs.34,932,337 in respect of total receipts and payments during the year under review. However, review of the statement of receipts and payments revealed amounts Kshs.39,908,422 and Kshs.38,760,683 in respect of total receipts and payments, resulting to unexplained and unreconciled variance of Kshs.3,335,200 and Kshs.3,828,346 respectively.

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

1.7 Misclassification of Other Receipts

The statement of receipts and payments reflects an amount of Kshs.3,335,200 as disclosed in Note 4 to the financial statements which includes an amount of Kshs.3,300,000 in respect of disbursement from National Government Constituency Development Fund (NGCDF). Further, review of the supporting schedule including bank statement for the NGCDF account revealed that the School received two disbursements of Kshs.1,500,000 and Kshs.1,800,000 in February and May 2022 totalling Kshs.3,300,000 for the construction of 100 capacity dormitory. However, the disbursements from NGCDF for projects are accounted for and reported by the NGCDF office in accordance with NGCDF Act, 2015 and not by the School Management as other income.

In the circumstances, the accuracy and completeness of an amount of Kshs.3,335,200 in respect of school fund income-other receipts could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,779,386 as disclosed in Notes 8 and 9 to the financial statements which includes Kshs.1,753,282 and Kshs.26,104 in respect of bank and cash in hand balances respectively. The bank balance of Kshs.1,753,282 includes cash book bank balances of seven (7) bank accounts. However, the bank account and cash in hand balances were not supported with cash book, bank reconciliation statements and board of cash survey reports respectively. Further, the cash and cash equivalents included one bank account balance of Kshs.885,174 in respect of the NGCDF account whose balance is accounted for under the NGCDF Act, 2015.

In the circumstances, the regularity, accuracy and completeness of the bank accounts balance of Kshs.1,779,386 in respect of cash and cash equivalents could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.21,128,015 as disclosed in Note 11 to the financial statements which includes balances of Kshs.20,909,999 and Kshs.218,015 in respect of fees arrears and refunds respectively. However, supporting documents including ledger schedule and students fee statements with ageing analysis of dates the fees arrears and details of re - fund were not provided for audit review. Further, details in Note 11 to the financial statements indicates accounts receivables incurred two years ago and there is no evidence indicating that proper mechanism had been put in place to recover these long overdue debts.

In the circumstances, the accuracy, completeness and recoverability of accounts receivable balance of Kshs.21,128,015 could not be confirmed.

4. Unsupported Accounts Payable

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.4,680,367 as disclosed in Note 12 to the financial statements which includes balances of Kshs.4,074,349 and Kshs.606,018 in respect of trade creditors and prepaid fees respectively. However, trade creditors of Kshs.4,074,349 was not supported with documents including ledger schedule and invoices, delivery notes, issues and receipts. Prepaid fees were not supported with student fee statements. Further, details in Note 12 to the financial statements indicates accounts payable incurred two years ago and there was no evidence indicating that proper mechanism had been put in place to settle these long outstanding accounts payables

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.4,680,367 could not be confirmed.

5. Unsupported Maintenance & Improvements Expenditure

The statement of receipts and payments reflects payments for operations and boarding and school fund payments of Kshs.13,364,510 and Kshs.22,752,253 as disclosed in Note 6 and 7 to the financial statements, which includes amounts of Kshs.3,750,000 and Kshs.751,620 in respect to repairs and maintenance & improvements totalling Kshs.4,501,620. However, supporting documents including procurement plans, bills of quantities, contract agreements, payment and inspection and acceptance committee reports were not provided for audit review in respect of maintenance and repairs of work done.

In the circumstances, accuracy and completeness of the amounts totalling to Kshs.4,501,620 in respect in respect to repairs and maintenance & improvements could not be confirmed.

6. Unsupported Personnel Emoluments

The statement of receipts and payments reflects amounts of Kshs.4,409,090 and Kshs.3,242,589 as disclosed in Notes 6 and 7 to the financial statements in respect of personnel emoluments, totalling Kshs.7,651,671. However, supporting documents including payrolls and approved staff establishment were not provided for audit review.

In the circumstances, accuracy and completeness of the expenditure of an amount of Kshs.7,651,671 in respect of personnel emoluments could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of budget versus actual amounts reflects final total income budget and actual on comparable basis of Kshs.47,654,590 and Kshs.36,573,222 respectively resulting in an under-funding of Kshs.11,081,369 or 23% of the budget. Similarly, the statement reflects final budget expenditure and actual on comparable basis of Kshs.47,654,590 and Kshs.34,932,337 resulting in under-absorption of Kshs.12,722,253 or 27% of the budget.

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

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 matter described in the 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 been applied lawfully and in an effective way.

Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

Whereas, the Management presented the annual report and financial statements covering 12 months as required for period 2021-2022, the financial statements referred to 'for 12 months' instead of 'for the year ended'. Further, no disclosure was made on lack of comparability due to longer period covered by previous financial year of 2020-2021.

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

Basis for Conclusion

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 based on the audit procedures performed, except for the matters described 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 Risk Management Policy

Review of the documents and records provided for audit review revealed that School Management has not established Risk Management Policy. This is contrary to Regulation 165(1) (a-b) of the Public Finance Management (National Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstance, Management was in breach of the law and was not able to identify risks and develop mitigating strategies.

2. Lack of Approved Information Technology Security Policy

Review of the School Information Technology Systems revealed that the School did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the School to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School may be exposed to financial losses or falsification of records in the absence of information and communication Technology policy.

3. Lack of Insurance Cover for Property and Other Assets

Review of the financial statements and assets records revealed that the School did not have insurance cover for property and other assets.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to close 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 overall 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 the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that 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 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.


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

V. Statement of Receipts and Payments Period to 30th June 2022

Description Of Vote Head	Note	2021-2022 Kshs	2020-2021 Kshs
Receipts			
Capitation grants for tuition	1	2,321,022	2,300,458
Capitation grants for operations	2	12,031,966	15,171,475
School fund income- parents' contributions	3	22,220,233	16,276,965
School fund income- other receipts	4	3,335,200	1,800,000
Proceeds from borrowings			
Total Receipts		39,908,422	35,548,898
Payments			
Payments for tuition	5	2,643,920	2,291,688
Payments for operations	6	13,364,510	10,060,399
Boarding and school fund payments	7	22,752,253	19,579,781
Total Payments		38,760,683	31,931,868
Surplus/Deficit		1,147,739	3,617,029

The school financial statements were approved on 30th September 2022 and signed by:

Prof. Peter Barasa Vikim Peter Yugal
 Name: ~~Wawu~~
 Chair BOM
 Date: 20/10/23



Vincent Okuma
 Name: ~~Okuma~~
 Bursar/ Finance Officer
 Date: 20/10/2023

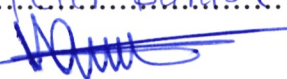
ST. MATHIAS BUSIA SECONDARY SCHOOL

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

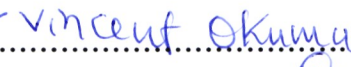

VI. Statement of Financial Assets and Financial Liabilities as At 30th June 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	1,753,282	4,405,722
Cash balances	9	26,104	7,596
Short term investment	10	-	-
Total cash and cash equivalent		1,779,386	4,413,318
Account's receivables	10	21,128,014	18,636,780
Total financial assets		22,907,400	23,050,098
Financial liabilities			
Accounts payables	11	4,680,367	7,617,846
Net financial assets		18,227,033	15,432,252
Represented by			
Accumulated fund b/fwd	12	17,079,294	11,815,223
Surplus/deficit for the year		1,147,739	3,617,029
Net financial position		18,227,033	15,432,252

The school's financial statements were approved on 30th September 2022 and signed by:

Prof. Peter Barasa
 Name: 
 Chair BOM
 Date: 20/10/23


 Name: 
 School Principal/ Secretary to
 BOM
 Date: 20 OCT 2023


 Name: 
 Bursar/ Finance Officer
 Date: 20/10/2023

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	2,321,022	2,300,458
Capitation grants for operations	2	12,031,966	15,171,475
School fund income- parents contributions/ fees	3	22,220,233	16,276,965
School fund income- other receipts	4	3,335,200	1,800,000
Total receipts		39,908,422	35,548,898
Payments			
Payments for tuition	5	2,643,920	2,291,688
Payments for operations	6	13,364,510	10,060,399
Boarding and school fund payments	7	22,752,253	19,579,781
Total payments		38,760,683	31,931,868
Net cash flow from operating activities		1,147,739	3,617,029
Cash flow from investing activities		-	-
Proceeds from sale of assets		-	-
Acquisition of assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities			
Cash flow from borrowing activities		1,147,739	3,617,029
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities			
Net increase in cash and cash equivalents		1,147,739	3,617,029
Cash and cash equivalent at beginning of the year		4,413,318	796,289
Cash and cash equivalent at end of the year		1,779,386	4,413,318

ST. MATHIAS BUSHA SECONDARY SCHOOL
 Reports and Financial Statements For the year ended 30th June 2022

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

Receipt/Expenses Item	Original Budget A Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
(1) <i>Capitation Grant on Tuition</i>						
Textbooks and reference materials						
Exercise books	786,930	-	786,930	882,607	(95,677)	112%
Laboratory equipment	553,950	-	553,950	295,630	258,320	53%
Internal exams	360,000	-	360,000	678,150	(318,150)	188%
Teaching / learning materials	497,120	-	497,120	464,635	32,485	93%
Chalks						
Exams and assessment reference/Library						
Sub total	2,198,000	-	2,198,000	2,321,022	(123,022)	105.6
(2) <i>Capitation Grant on Operations</i>						
Personnel emoluments	2,044,900	-	2,044,900	3,874,714	(1,829,814)	189%
Repairs and maintenance	3,900,000	-	3,900,000	3,830,250	69,750	98%
Local transport / travelling	886,150	-	886,150	1,126,903	(240,753)	127%
Electricity and water	1,548,800	-	1,548,800	2,001,024	(452,224)	129%
Medical	1,300,000	-	1,300,000	-	1,300,000	0%
Administration costs	643,830	-	643,830	1,199,075	(555,245)	186%

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

Receipt/Expenses Item	Original Budget A Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Activity	495,000	-	495,000	-	495,000	0%
Sub total	10,818,680	-	10,818,680	12,031,966	(1,213,286)	111%
(3) Fees Charged on Parents						
Personnel emoluments	2,422,400	-	2,422,400	2,123,337	299,063	88%
Repairs and maintenance	896,000	-	896,000	833,105	62,895	93%
Local transport / travelling	672,000	-	672,000	615,009	56,991	92%
Electricity and water	1,268,150	-	1,268,150	1,558,538	(290,388)	123%
Administration costs	712,960	-	712,960	1,154,089	(441,129)	162%
Activity	560,000	-	560,000	192,077	367,923	34%
Fee on Boarding Equipment and Stores	28,106,400	-	28,106,400	15,744,078	12,362,322	56%
Sub total	34,637,910	-	34,637,910	22,220,233	12,417,677	64%
Grand total income	47,654,590		47,654,590	36,573,222	11,081,369	77%
(1) Expenditure For Tuition						
Textbooks And Reference Materials						
Exercise Books	786,930	-	786,930	1,187,500	(400,570)	151%
Laboratory Equipment	553,950	-	553,950	450,000	103,950	81%
Internal Exams	360,000	-	360,000	562,500	(202,500)	156%
Teaching / Learning Materials	497,120	-	497,120	443,920	53,200	89%
Chalks						
Administration Costs						
Sub total	2,198,000	-	2,198,000	2,643,920	(445,920)	120%

ST. MATHIAS BUSIA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget A Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
(2) Expenditure For Operations						
Personnel emoluments	2,044,900	-	2,044,900	4,409,090	(2,364,190)	216%
Repairs and maintenance	3,900,000	-	3,900,000	3,750,000	150,000	96%
Local transport / travelling	886,150	-	886,150	1,173,485	(287,335)	132%
Electricity and water	1,548,800	-	1,548,800	1,448,647	100,153	94%
Medical	1,300,000	-	1,300,000	24,100	1,275,900	2%
Administration costs	643,830	-	643,830	2,045,898	(1,402,068)	318%
Activity	495,000	-	495,000	513,290	(18,290)	104%
Sub total	10,818,680	-	10,818,680	13,364,510	(2,545,830)	123%
(3) Expenditure For School Fund						
Personnel emoluments	2,422,400.00	-	2,422,400.00	3,242,589	(820,189.00)	134%
Repairs and maintenance	896,000	-	896,000	751,620	144,380	84%
Local transport / travelling	672,000	-	672,000	978,971	(306,971)	146%
Electricity and water	1,268,150	-	1,268,150	1,025,225	242,925	81%
Administration costs	712,960	-	712,960	5,015,402	(4,302,442)	703%
Activity	560,000	-	560,000	-	560,000	0%
Fee on Boarding Equipment and Stores	28,106,400	-	28,106,400	7,910,100	20,196,300	28%
Sub total	34,637,910	-	34,637,910	18,923,907	15,714,003	54%
Grand total expenditure	47,654,590		47,654,590	34,932,337	12,722,253	73%

- i. *Under income there was underfunding in most of the vote heads.*
- ii. *Under expenditure there was underutilization in most vote heads.*

N.B: The difference between the total payment in school fund under receipt and payment and actual comparable basis is due to CDF and medical which was not budgeted for during the financial period.

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
Textbooks And Reference Materials		
Exercise Books	882,607	460,091
Laboratory Equipment	295,630	460,091
Internal Exams	678,150	345,069
Teaching / Learning Materials	464,635	575,115
Chalks		115,023
Exams And Assessment		345,069
Teachers Guides		
Total	2,321,022	2,300,458

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	3,874,714	4,052,731
Repairs And Maintenance	3,830,250	6,092,321
Local Transport / Travelling	1,126,903	927,770
Electricity And Water	2,001,024	2,172,649
Medical		133,000
Administration Costs	1,199,075	1,527,004
Activity		266,000
Total	12,031,966	15,171,475

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	2,123,337	1,872,202
BES/ LUNCH	15,744,078	11,251,600
Local transport / travelling	833,105	692,565
Electricity and water	615,009	534,766
RMI	1,558,538	1,271,753
Administration costs	1,154,089	575,064
Activity	192,077	79,015
Total	22,220,233	16,276,965

Notes to the Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Tender fees	35,200	-
CDF	3,300,000	1,800,000
Total	3,335,200	1,800,000

5 Payments for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books	1,187,500	948,730
Laboratory Equipment	450,000	610,890
Internal Exams	562,500	199,500
Teaching / Learning Materials	443,920	532,568
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	-	-
Total	2,643,920	2,291,688

Notes to the Financial Statements (Continued)

6 Payments for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	4,409,090	3,752,871
Service Gratuity		-
Administration Cost	2,045,898	2,193,661
Maintenance and Improvement	3,750,000	1,334,740
Local transport / travelling	1,173,485	495,350
Electricity and water	1,448,647	1,547,877
Activity Expenses	513,290	662,860
Medical	24,100	73,040
Internal exams		
Medical		
Bank Charges		
Acquisition Of Assets		
Total	13,364,510	10,060,399

Notes to the Financial Statements (Continued)

7 Boarding and School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	3,242,589	1,343,637
Service Gratuity		-
RMI	751,620	1,214,230
Local transport / travelling	978,971	828,290
Electricity and water	1,025,225	1,213,054
Medical Expenses	297,786	296,506
Administration costs	5,015,402	1,937,250
Expenses on Income Generating Activities		-
Fee on Boarding Equipment and Stores	7,910,100	11,757,967
Activity Expenses		177,571
CDF	3,530,560	811,276
Activity Expenses		
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
Total	22,752,253	19,579,781

*(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

Notes to the Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	01025036501500	7,734	40,357
Operations Account	01242036501503	3,245	607,861
School Fund Account/Boarding	1107344190	195,105	427,402
School Fund Account/Boarding	01021036501500	19,271	177,912
CDF Account	01242037200600	885,174	1,015,174
Gratuity Account	01021036501500	404,687	20,298
Income Generating Activities Account		-	-
Infrastructural Account	01139239984100	238,067	2,116,720
Total		1,753,282	4,405,722

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
CDF Account	4,774	1,252
Operation Account	7,443	2,150
School Fund account	13,887	4,194
Total	26,104	7,596

10 Short Term Investments

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

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	20,909,999	18,636,780
Other Non-Fees Receivables		-
Salary Advances		-
Refund	218,015	-
Total	21,128,014	18,636,780

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	4,328,666	2,055,447
Fees arrears for the previous year	2,055,447	4,981,029
Less arrears recovered during the year	(2,055,447)	(570,658)
Fees arrears for prior periods (over two years)	16,581,333	12,170,962
Total	20,909,999	18,636,780

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	4,074,349	5,970,804
Prepaid Fees	606,018	1,647,042
Retention Monies		-
Total	4,680,367	7,617,846

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	1,721,020	3,617,475
Trade creditors for the previous year	3,617,475	3,891,728
Trade creditors paid during the year	(3,617,475)	(3,779,728)
Trade creditors for prior periods (over two years)	2,353,329	2,241,329
Total	4,074,349	5,970,804

Notes to the Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	4,405,722	788,728
Cash Balances	7,596	7,561
Short Term Investments	-	-
Receivables	18,636,780	17,151,991
Payables	(5,970,804)	(6,133,057)
Total	17,079,294	11,815,223

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	120	48000	48000
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total	120	48000	48000

16 Borrowings

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

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	1,888,394.00	925,032.00
Stock/ inventory purchased during the year	27,945,369.00	7,963,362.00
Stock/ inventory issued during the year	28,945,369.00	7,000,000.00
Balance at end of the year	888,394.00	1,888,394.00

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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)

 Sign and Date
 Principal



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Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. WIGAN HELIZ ENGINEERING	100,000.00	N/A	0.00	100,000.00	100,000.00	
5. YOUNG LANDERS INVESTMENT	270,000.00	N/A	0.00	270,000.00	270,000.00	
6. LITEMORE LIMITED ZERA KI FINANCE	28,859.00	N/A	0.00	28,859.00	28,859.00	
7. TONNER SOLUTION	291,000.00	N/A	0.00	291,000.00	291,000.00	
8. LABOTECH SUPPLIERS	657,546.00	N/A	0.00	657,546.00	657,546.00	
9. PAPA BOOKSHOP	316,415.00	N/A	0.00	316,415.00	316,415.00	
10. RMALKIA STATIONERY	47,200.00	N/A	0.00	47,200.00	47,200.00	
11.						
Sub-Total	1,711,020.00	N/A	0.00	1,711,020.00	1,711,020.00	
Supply Of Services						
12.						

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
13.						
14.						
Sub-Total						
Grand Total	1,711,020.00	N/A	0.00	1,711,020.00	1,711,020.00	

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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
Land 1	1975	BUSIA TOWN	DONATED BY BUSIA COUNTY COUNCIL	N/A	N/A	N/A
Land 2	N/A	N/A	N/A	N/A	N/A	N/A
Buildings And Structures	1979	BUSIA	58,000,000	N/A	N/A	58,000,000
Motor Vehicles	1985	BUSIA	2,150,000	N/A	N/A	2,150,000
Office Equipment, Furniture And Fittings	2012	BUSIA	11,000,000	N/A	N/A	11,000,000
ICT Equipment, And Other ICT Assets	2016	BUSIA	4,000,000	N/A	N/A	4,000,000
Tools And Apparatus	N/A	N/A	N/A	N/A	N/A	N/A
Textbooks	2010-2021	BUSIA	24,000,000	N/A	N/A	24,000,000
Other Machinery And Equipment (Generator)	2018	BUSIA	400,000	N/A	N/A	400,000
Heritage And Cultural Assets	N/A	N/A	N/A	N/A	N/A	N/A
Intangible Assets- Soft Ware	2020	BUSIA	150,000	N/A	N/A	150,000
Total			99,700,000	N/A	N/A	99,700,000

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