

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE: 13 JUN 2026

DAY.

Tuesday.

TABLED
BY:

Hon. Naomi Wago, CBS, MP

CLERK-AT
THE-TABLE:

(Deputy Majority Party Whip)
Lemale.

OF

THE AUDITOR-GENERAL

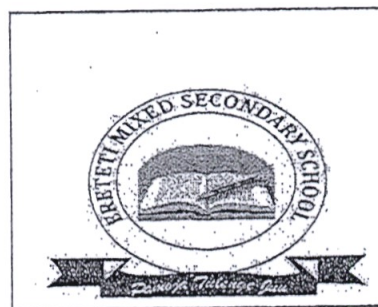
ON

PARLIAMENT
OF KENYA
LIBRARY

ERETETI MIXED DAY
SECONDARY SCHOOL

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

KAJIADO COUNTY



ERETETI MIXED DAY SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30TH JUNE 2021

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

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ERETETI MIXED DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the six months ended 30th June 2021

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1. Acronyms and Definition of Key Terms**A. Acronyms.**

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

II. Key School Information and Management

1. 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 Kajiado County, Isinya Sub-County.

The school was registered in 2011 under registration number PU/S/2/9564/12 and is currently categorized as a *Sub County* public school established, owned or operated by the Government.

The school is a day/boarding school and had 162 number of students as at 30th June 2021. It has 1 stream and 8 teachers of which 2 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:

No.	Name of Board Member	Designation	Date of Appointment
1	Mr Jeremiah Sailoji	Chairman	27/6/2019
2	Mrs. Kasusya Regina	Secretary - Principal	27/6/2019
3	Eva Mokishon	Member	27/6/2019
4	Mr. Luke Kimiti	Member	27/6/2019
5	Mr Philip Turere	Member	27/6/2019
6	Ms. Lucy Koitalel	Member	27/6/2019
7	Mrs Cecilia Komu	Member	27/6/2019
8	Rev. Justine Kiprono	Member	27/6/2019
9	Mr Isaac Kiarie	Member	27/6/2019
10	Mr. Elijah Seme	Member	27/6/2019
11	Mr Peter Asai	Member	27/6/2019
12	Mr John Ngune	Member	27/6/2019
13	Mr Paul Murianka	Member	27/6/2019

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 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.

©.Committees of the Board

S/N	Name of Committee	Name of Members	Designation	Number of meetings attended during the year
1.	Executive Committee			
		Mr Alexander Munyere	Bom Chair	3 of 3
		Regina Kasusya	Principal	3 of 3
		Mr Jeremiah Sailoji	Pa Chair	3 of 3
		Mr. Luke Kimiti	Member	3 of 3
2.	Finance, Procurement and Audit Committee			
		Ms. Lucy Koitalel	Member	3 of 3
		Mr. Paul Tobiko	Pa Chair	3 of 3
		Regina Kasusya	Member	3 of 3
		Mr Peter Asai	Member	3 of 3
		Mr. Luke Kimiti	Member	3 of 3
3.	Academic Committee			
		Regina Kasusya	Principal	3 of 3
		Ms. Lucy Koitalel	Chair	3 of 3
		Mr Ngugi Gideon	Mem3ber	3 of 3
		Mr Jeremiah Sailoji	Member	3 of 3
		Mr.Luke Kimiti	Class Rep	2 of 3
		Mr Peter Asai	Member	2 of 3
4.	Development Committee			
	(Ifrastructure committee)			

ERETETI MIXED DAY SECONDARY SCHOOL

Annual Report and Financial Statements For the six months ended 30th June 2021

		Regina Kasusya	Chair	
		Ngugi Gideon	D/Pricipal	4 of 4
		Jeremiah Sailoji	Member	4 of 4
		Luke Kimiti	Pa Chair	3 of 4
		Alexander Munyere	Bom Chair	4 of 4
5.	Discipline and welfare Committee			
		Ngugi Gideon	D/Pricipal	4 of 4
		Paul Tobiko	Member	3 of 4
		Jeremiah Sailoji	Member	4 of 4
		Luke Kimiti	Member	3 of 4
		Peter Asai	Member	3 of 4
7	Adhoc Committee (if any during the year)			
		NONE		

(d) School operation Management

For the financial year ended 30th June 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Regina Kasusya	307391
2	Deputy Principal	Mr Ngugi Gideon	347482

(e) Schools contacts

Post Office Box: 98
 Telephone: 0721808276
 E-mail: N/A
 Website: NA
 Facebook:
 Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank: KCB BANK
 Branch: KISERIAN
 Postal Address.

(g) Independent Auditors

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

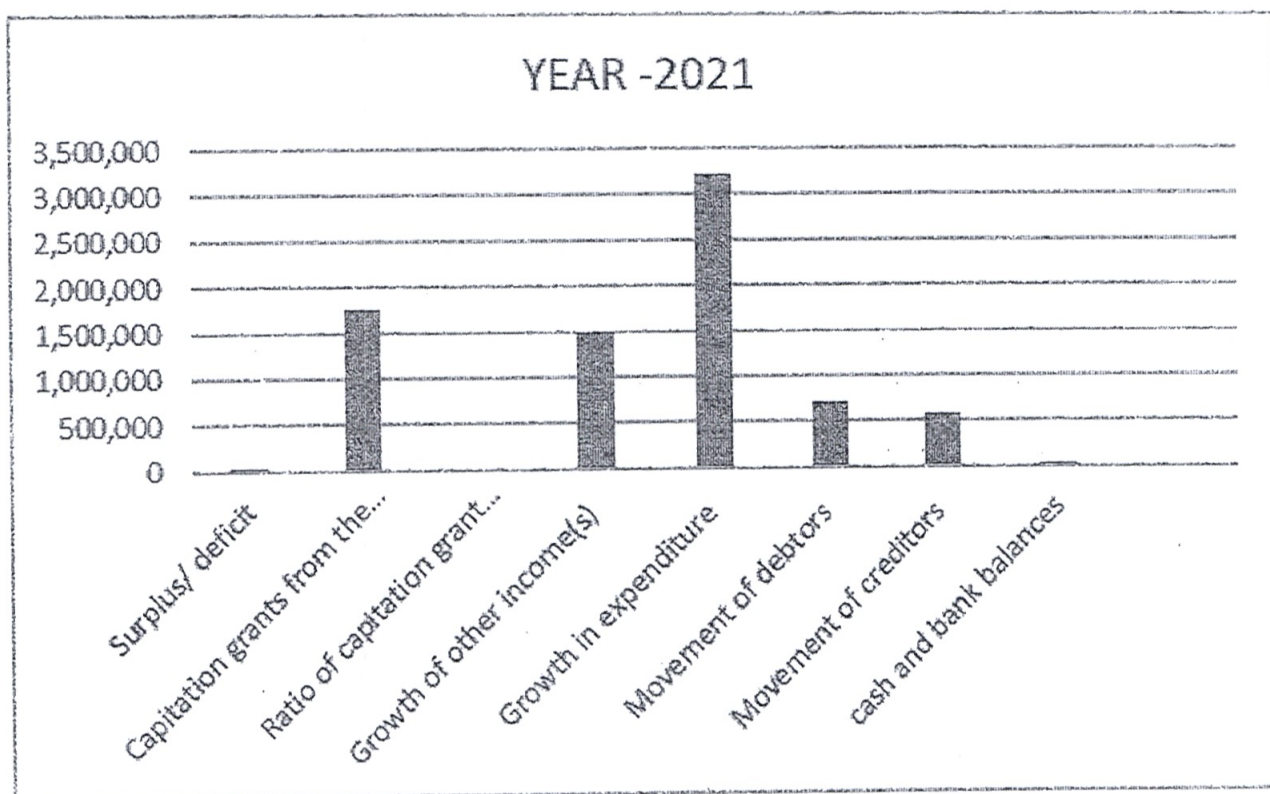
II. Summary Report of Performance of The School

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

a) Financial performance:

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

	YEAR -2021
Surplus/ deficit	25,494
Capitation grants from the Ministry of Education	1,758,891
Ratio of capitation grant per student	1:10,857
Growth of other income(s) earned by the school	1,485,639
Growth in expenditure of the school	3,219,036
Movement of debtors of the school	720,005
Movement of creditors of the school	582,260
Movement of cash and bank balances	36,400



a) Teacher Student ratio:

		YEAR-2021
The teacher to student ratio,		1:23
Number of teachers recruited and posted to the school within the year		0
Number of teachers that were transferred/ retired during the period		0
Number of teachers employed by TSC		9
Number employed by BOM		2
Teachers the school has for each subject	Subject	Number
	English	3
	Mathematic	2
	Kiswahili	1
	Chemistry	2
	Biology	1
	Agriculture	2
	Physics	1
	Cre	1
	History	2
	Business Studies	1

(b) Mean score in KCSE:2021

	YEAR-2021
Mean	2.45
NO. of students who sat the exams	47
NO. of students transitioned to institutions of higher learning	2

d) Capacity of the school: No of students-162

Facilities	No.
Temporary kitchen-	1
Laboratory	1
Toilets	8 doors
Energy saving jikos	2
classrooms	6

f) Development projects carried out by the school:

Project	Location	Start	Completion	Amount	Expected completion date

Q20 RAHMA ISRAHIM *12/06/21*
School Principal

PRINCIPAL
ERETETI MIXED SEC. SCHOOL
P.O. BOX 98 - 00214
M.D.

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 keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of ERETETI MIXED 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, 2021, and of the school's financial position as at that date.



Name: Alexander Munyere

Designation: Chairman, School Board of Management

Date:



Name: Regina Kasusya

Designation: School Principal & Secretary to Board of Management

Date:



Name:

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON ERETETI MIXED DAY SECONDARY SCHOOL FOR THE SIXTH (6) MONTHS PERIOD ENDED 30 JUNE, 2021- KAJIADO COUNTY

PREAMBLE

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

- A. Report on 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 the 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; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Ereteti Mixed Day Secondary School set out on pages 1 to 13, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash

flows and statement 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ereteti Mixed Day Secondary School as at 30 June, 2021 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013, and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Payments

The statement receipts and payment reflects total expenditure balance of Kshs.3,219,036 relating to tuition, operations and boarding school fund payments. However, an amount of Kshs.2,828,334 was not supported by payment vouchers and other supporting documentations.

In the circumstances, the accuracy and completeness of expenditure amount of Kshs.2,828,334 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budgeted versus actual amounts reflects budgeted and actual receipt amounts on comparable basis of Kshs.4,000,000 and Kshs.3,244,530 respectively resulting to an under-funding of Kshs.755,470 or 19% of the budget. However, the School spent an amount of Kshs.3,219,036 against actual receipts amounting to Kshs.3,244,530 resulting in an under-utilization of Kshs.25,494 of actual receipts.

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

2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts receivables balance of Kshs.720,055 in respect of fees arrears. Included in the balance is amount of Kshs.295,055 which has been outstanding for more than one (1) year. Further, Management did not provide policy document on the impairment of long outstanding fees arrears casting doubt on the fair statement and recoverability of the accounts receivables balance.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the other information set out on page iii to ix which comprises of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2021 were submitted to the Auditor-General on 18 March, 2026, two (2) years after the statutory date of 30 September, 2021. This was contrary to Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015 that states that an Accounting Officer shall prepare and submit financial statements within three (3) months after the closure of financial year. Late submission of financial statements reports adversely affects the Office of Auditor-General in meeting statutory timelines.

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

2. Failure to Prepare School Improvement Plan

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

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

3. Failure to Establish a Functional Procurement Unit

Review of records revealed that Management had not established a procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. The procurement activities in the school were undertaken by individuals lacking the requisite qualifications.

Further, 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 shall 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.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weakness in Management of Assets

Annex 2 to the financial statements reflects Kshs. 12,000,000 in respect of land measuring 1.6 hectares on which the school is built. The land was donated to the School by a private person and title deed was yet to be transferred to the School. Further, Management did not maintain a fixed assets register.

In the circumstances, existence of effective measures in management of assets could not be confirmed.

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

Responsibilities of the Management and the Board of Management

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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to Going- concern and using the Going concern -basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 May, 2026

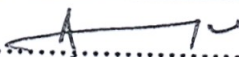
ERETETI MIXED DAY SECONDARY SCHOOL

Annual Report and Financial Statements For the six months ended 30th June 2021

V. Statement Of Receipts and Payments for the Year Ended 30th June 2021

Description Of Receipts/Payments	Note	2021
Receipts		
Government grants for tuition	1	239,430
Government grants for operations	2	1,519,461.20
Lunch Programme	3	1,485,639
Total Receipts		3,244,530
Payments		
Tuition	4	241,336
Operations	5	1,488,850
Boarding and school fund	6	1,488,850
Total Payments		3,219,036
Surplus/Deficit		25,494

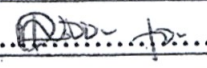
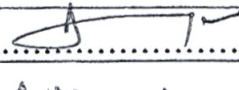
The school financial statements were approved on _____ 2021 and signed by:

		
Name: Alexander Munyere	Name: Regina Kasusya	Name: Andrew KINOTIA
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 18/3/2026	Date: 18/3/2026	Date: 18/3/2026

Vi. Statement of Assets and Liabilities As At 30th June 2021

Description	2021	2020
Financial Assets		
Cash and cash equivalents		
Bank balances	10	36,400
Cash balances	11	-
Total cash and cash equivalent		
Account's receivables	12	720,055
Total financial assets (a)		756,455
Financial liabilities		
Accounts payables	13	(582,260)
Total Financial Liabilities (b)		
Net financial assets (a-b)		174,194
Represented by		
Accumulated fund b/fwd	14	148,700
Surplus/deficit for the year		25,494
Net Assets		174,194

The school's financial statements were approved on _____ 2021 and signed by:

		
Name: Alexander Munyere	Name: Regina Kasusya	Name: ANDREW KENAIYA
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 18/3/2021	Date: 18/3/2021	Date: 18/3/2021

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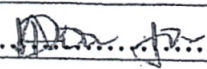
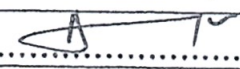
Vii. Statement of Cash Flows for the Year Ended 30th June 2021

Description	2021	2020
Cash from Operating Activities		
Receipts		
Government grants for tuition		239,430
Government grants for operations		1,519,461.20
School fund income- parents contributions/ fees		1,485,639
Total receipts		3,244,530.20
Payments		
Cash outflows for tuition		241,336
Cash outflows for operations		1,488,850
Cash outflows Boarding/lunch and school fund payments		1,488,850
Total payments		3,219,036
Net cash inflow/outflow from operating activities		25,494
Cash flow from investing activities		
Acquisition of assets		-
Proceeds from sale of Assets		-
Net cash inflow/outflows from investing activities		
Cash flow from Financing activities		
Proceeds from borrowings/ loans	18	
Repayment of principal borrowings		
Net cash inflow/outflow from financing activities		
Net increase/decrease in cash and cash equivalents		
Cash and cash equivalent at beginning of the FY		18,905
Cash and cash equivalent at end of the FY		36,400

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

(The above presentation of the cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB).

The school's financial statements were approved on _____ 2021 and signed by:

		
Name: Alexander Munyere	Name: Regina Kasusya	Name: ANDREW KENIA
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date:	Date: 18/3/2026	Date: 18/3/2026

ERETETI MIXED DAY SECONDARY SCHOOL
Annual Report and Financial Statements For the six months ended 30th June 2021

Viii) Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Teaching / Learning Materials	300,000	-	300,000	239,430	80%
<i>(2) Capitation Grant on Operations</i>					
Other vote-heads -(PE ,Ltt, Rmi,Admin)	1,700,000	-	1,700,000.00	1,519,461	89%
<i>(4) Fees Charged on Parents</i>					
Fee On Boarding Equipment and Stores	2,000,000	-	2,000,000	1,485,639	87%
GRAND TOTALS	4,000,000		4,000,000	3,244,530	

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Annual Report and Financial Statements For the six months ended 30th June 2021

Receipt / Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	K.shs	K.shs	K.shs	K.shs	K.shs
(5) Expenditure For Tuition					
Teaching / Learning Materials	300,000	-	300,000	241,000	80 %
Bank Charges	1,000	-	1,000	336	34%
(6) Expenditure For Operations					
Other voteheads -(PE ,Ltt,Rmi,Admin)	1,700,000	-	1,700,000	1,488,850	88 %
(7) Expenditure For school fund/lunch/boarding					
Lunch Programme	2,000,000	-	2,000,000	1,487,698	74%
Bank Charges	2,000	-	2,000	1,152	58%
Total expenditure	4,003,000		4,003,000	3,219,036	

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

- i. Fess was not paid in full

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 school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

The *school* recognises all receipts from various sources when the event occurs, and the related cash has been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

X. Notes To the Financial Statements

1 .Government Grants for Tuition

Description	2021
	LSH
Teaching / Learning Materials	239,430
Total	239,430

**Include others as per MOE circulars*

2 .Government Grants for Operations

Description	2021
	LSH
Other Vote Heads (LT&T,PE,Admin,R.M.1)	1,519,461.20
Total	1,519,461.20

**Include others as per MOE circulars*

3 . School Fund Income - Parents Contribution/Fees

Description	2021
	LSH
Lunch programme	1,485,639.00
Total	1,485,639.00

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

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

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

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

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4 Payments Tuition

Description	2021
	Kshs
Teaching / Learning Materials	241,000
Bank Charges	336
Total	241,336

5 Payments Operations

Description	2021
	Kshs
Bank charges	2,794
Others vote heads (LTT ,PE ADMIN)	1,020,056
RMI	466,000
Total	1,488,850

6 Boarding And School Fund

Description	2021
	Kshs
Lunch Programme	1,487,698
Bank Charges	1,152
Total	1,488,850

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10 .Bank Accounts

Account Name & Currency	Status	Bank Account Number	2021
	Active/Dormant		Kshs
Tuition Account	Active	1141084139	1904
Operations Account	Active	1141084031	32,163
School Fund Account/Boarding	active	1199179450	2,334
Infrastructural Account	Active	1235942678	
Total			36,400

11 . Cash In Hand

Description	2021
	Kshs
Notes and Coins	
Total	

12. a) Accounts Receivable

Description	2021
	Kshs
Fees Arrears	720,055
Total	720,055

12. b) Ageing Analysis of Accounts Receivable

Description	2021 Kshs	
	2021	% of the total
Less than 1 year	425,000	60%
Between 1- 2 years	295,055	50%
Between 2-3 years	-	-
Total (should tie to note 13 a)	720,055	20%

13. a)Accounts Payable

Description	2021 KShs
Trade Creditors (See Ageing Below and Appendix 1)	582,259.75
Total	582,259.75

13 b). Ageing Analysis of Accounts Payable

Description	2021 KShs	
	2021	% of the total
Less than 1 year	582,259.75	100 %
Between 1- 2 years	0	
Between 2-3 years	0	
Over 3 years	0	
Total (should tie to note 14)	582,259.75	

14. FUND BALANCE BROUGHT FORWARD

Description	2021 KShs
Bank balances	18,906
Receivables	745,055
Payables	(615,261)
	148,700

Other important disclosure notes

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

12 Biological assets

Description	Number	2021 KShs
Trees	1223	12,230
Total	1200	0.00

Other important disclosure notes**13 Stock/ Inventory**

Description	2021 KShs
Food stuffs	56,000
Lab consumables	23,450
	78,450

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

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14 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	Issues / Observations from Auditor	Management Comments	Status (Resolved / Not Resolved)	Timeframe expected for issue to be resolved

Sign and Date
Principal

PRINCIPAL
ERETETI MIXED SECONDARY SCHOOL
P.O. Box 96-00206, KISUMU
Date 16/3/2021

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2. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier / Of goods or services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance Current	Outstanding Balance Comparative	Comments
	Kshs.	Shs.	Kshs.	Kshs.	Kshs.	
Construction Of Buildings						
Ken And Sons	20,000	30/3/2023	-	20,000	20,000	
1.Ashtam Engineering	30,000	30/3/2023	-	30,000	30,000	
2.Environment And Building	10,000	1/2/2023	-	10,000	10,000	
Sub-Total	250,000			250,000	250,000	
Supply Of goods						
1.Sema Supplies	83,000	30/6/2023	-	83,000.00	83,000.00	
2.Kweback Enterprises	299,660	30/6/2023	-	299,660	299,660	
3.Nssf Contribution	119,600	30/01/2021	-	119,600	119,600	
4.Dema Energy System	20,000	30/6/2023	-	20,000	20,000	
Sub-Total	332,260			332,260	332,260	
Grand Totals	582,260			582,260	582,260	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Estimated Cost at 1 st July 2020 (KShs)	Additions during the year (KShs)	Disposals during the year (KShs)	Estimated Cost at 30 th June 2021 (KShs)
Land	12,000,000	NA	NA	12,000,000
Buildings And Structures	6,000,000	NA	NA	6,000,000
Motor Vehicles	NA	NA	NA	NA
Office Equipment, Furniture and Fittings	1,000,000	NA	NA	1,000,000
Textbooks	500,000	NA	NA	500,000
ICT Equipment	NA	NA	NA	NA
Tools And Apparatus	500,000	NA	NA	500,000
Other Machinery and Equipment	NA	NA	NA	NA
Heritage And Cultural Assets	NA	NA	NA	NA
Intangible Assets- Soft Ware	NA	NA	NA	NA
Total				

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

