

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

KHASOKO BOYS SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2021**

BUNGOMA COUNTY

Revised 30th June 2021.



KHASOKO BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2021

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

KHASOKO BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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XI. 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 Bungoma County, Bumula Sub-County.

The school was registered in *January 9th 2012* under registration number *PU/S/3/322/12* and is currently categorized as an *Extra County* public school established, owned or operated by the Government.

The school is a boarding school and had 923 number of students as at *30th June 2021*. It has five streams and 40 teachers of which 17 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Prof. Okumu W. Bigambo	Chairman (sponsor)	20/05/2018
2	Mr. Daniel O. Wasambo	Secretary- Principal	20/05/2018
3	Mr. Sylvester Wandabusi	Member – Rep CEB	20/05/2018
4	Mrs. Betty Sakwa	Member (Sponsor)	20/05/2018
5	Prof. Saul Namango	Member (Community)	20/05/2018
6	Dr. Benard Mureka	Member	20/05/2018
7	Mr. Haron Olando	Member	20/05/2018
8	Mrs. Sarah Barasa	Member	20/05/2018
9	Dr. Isaac Omeri	Member	20/05/2018
10	Mrs Carolyn M. Wanyama	Member	20/05/2018
11	Dr. Collins Masika	Member	20/05/2018
12	Ms Sella Mutsotso	Member	20/05/2018
13	Mrs Christine W. Wanjala	Member Rep Teachers	20/05/2018
14	Mr. Jonathan Barasa	3 Members - Sponsor	20/05/2018
15	Mr. Moses Sande	Member (Sponsor)	20/05/2018
16	Dr. Allan Rosh Were	Member Special Needs	20/05/2018
17	Ikapel	Rep Students	20/05/2018

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.

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- 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	Name of members	Designation	No. of meeting attended during the year
01	Executive Committee	1.Prof. Okumu Bigambo 2.Mr.Sylvester Wandabusi 3. Mrs. Betty Sakwa 4.Mrs. Carolyne Wanyama 5.Mr. Jonathan Barasa 6.Mr. Daniel O. Wasambo	Chairman Vice Chairman Member Member Member Member	2
02	Audit Committee			
03	Finance, Procurement & General Purposes Committee	1.Dr.Benard Mureka 2.Mr. Daniel Wasambo 3.Mr. Sylvester Wandabusi 4. Mr. Betty Sakwa 5.Mr.Moses Sande 6.Mr. Jonathan Barasa	Chairman Secretary Member Member Member Member	1
04	Academic Committee	1.Dr.Isaac Omeri 2.Mrs Carolyne Wanyama 3.Haron Olando 4. Prof.Saul Namango 5.Mr.Sylvester Wandabusi 6.Mr.Jonathan Barasa 7.Mr.Daniel Wasambo 8.Mr. Daniel Mwatuni 9. Mr.Humphrey Wekesa	Chairman Member Member Member Member Member Secretary Member Member	1
05	Development Committee	1.Mr. Sylvester Wandabusi 2.Mr.Daniel Mwatuni 3.Mr.Daniel Wasambo 4. Prof. Okumu Bigambo 5.Mrs. Carolyne Wanyama 6.Mr. Jonathan Barasa	Chairman Secretary/D.Principal Member Member Member Member	3

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06	Discipline & Welfare Committee	1. Mrs. Sarah Barasa 2. Mr. Daniel O. Wasambo 3. Mr. Sylvester Wandabusi 4. Ms Sellah Mutsotso 5. Mr. Jonathan Barasa 6. Mr. Daniel Mwatuni	Chairlady Secretary Member Member Member Member	1
07	Adhoc Committee (If any during the year)	1. Mr. Sylvester Wandabusi 2. Mr. Daniel Mwatuni 3. Mr. Daniel Wasambo 4. Prof. Okumu Bigambo 5. Mrs. Carolyne Wanyama 6. Mr. Jonathan Barasa	Chairman Secretary/D. Principal Member Member Member Member	3

(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	Mr. Daniel O. Wasambo	336520
2	Deputy Principal	Mr. Daniel S. Mwatuni	387226
3	School Bursar	Ms. Christine M. Naliaka	N/A

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 6 – 50210 Buyofu
 Telephone: 0712503107
 E-mail: khasokohigh@gmail.com
 Website:
 Facebook:
 Twitter:

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XII. 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:**

S.NO	PARTICULARS	2021	2020	2019
i)	Tuition Account/ Operation acc/ School Fund acc	10,445,267.27	1,744,088.73	1,422,073.90
ii)	Capitation: Tuition	1,201,391.75	1,546,321.00	2,738,529.55
	Operation	8,428,609.55	10,054,825.00	14,516,190.85
iii)	Ratio of Capitation	825	878	839
iv)	Other incomes (school fund)	27,024,025	26,566,607.50	34,776,820.00
v)	Expenditure (Tuition, Operation and school fund)	26,208,759.03	36,435,034.77	50,610,467.41
vi)	Debtors	10,007,317.00	10,231,669.00	5,858,366.00
vii)	Creditors	1,556,439.00	1,826,397.00	-
ix)	Cash and bank balances : cash	693.90	6,886.90	50,135.90
	bank	5,953,619.23	2,149,772.08	1,891,562.63

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b) Teacher Student ratio: (January 2021 – June 2021)

S. No	Narration	No. of Teachers
i)	Teacher/Student ratio	45 Vs 900
ii)	Teachers recruited & posted to the school	01
iii)	Teachers transferred	06
iv)	T.S.C Teachers	23
v)	BOM Teachers	17
vi)	Teacher shortage: Agric/Bio	02
	: Maths/B. Studies	01
	: English/Lit	02
	: Computer	01

c) Mean score in the 2021KCSE/Number of Candidates in the 2021 KCSE:

Year	No. of Candidates	Mean score	Mean Grade	Transition to higher learning institution
2020	204	5.26	C-	39
2019	155	5.413	C-	48
2018	175	5.24	C-	49

The school had a slight drop in a mean score of 5.26 in 2020 from that of 5.413 of 2019. This was due to indiscipline issues. The school is now stable and we believe it shall attain its 2021 target of 7.000.

d) Capacity of the school:

900 Students

Dormitories	5
Multipurpose Hall	1
Laboratories	3
Toilets	32

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XIII. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of (*Khasoko Boys High 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: Mr. Daniel O. Wasambo

Designation: Principal

Sign: 

Date: 10/3/2022



Name: Prof. Okumu W. Bigambo

Designation: Chairman BOM

Sign: 

Date: 16/3/2022

Name: Ms. Christine Naliaka

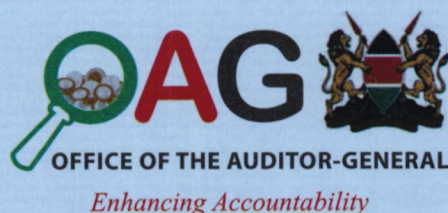
Designation: Bursar

Sign: 

Date: 18/3/2022

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KHASOKO BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – BUNGOMA COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 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 Khasoko Boys High School – Bungoma County set out on pages 11 to 19, which comprise of the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes 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 Khasoko Boys Secondary School – Bungoma County as at 30 June, 2021, 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 the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.8,250,875 as disclosed in Notes 8 and 9 to the financial statements. However, the ledgers supporting the same balance reflected a balance of Kshs.5,637,360 resulting in an unexplained and an unreconciled variance of Kshs.2,613,514. Further, the School did not maintain cash books for the school gratuity and school bus accounts.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.8,250,875 could not be confirmed.

2. Unsupported Accounts Payables

The statement of financial assets and liabilities reflects accounts payables balance of Kshs.6,494,347 disclosed in Note 12 to the financial statements. However, the schedules provided for audit only supported accounts payables balance of Kshs.1,661,839, resulting in an unexplained and an unreconciled variance of Kshs.4,832,508. In addition, the payables were not supported by procurement details, local purchase/service orders, delivery notes, inspection minutes and invoices.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.6,494,348 could not be confirmed.

3. Unsupported Accounts Receivable

The statement of financial assets and liabilities reflects accounts receivables of Kshs.34,522,095 which includes fee arrears of Kshs.33,507,051. However, the School did not provide a detailed schedule of receivables to support the balance. In addition, the School did not maintain ageing analysis of the debtors.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.34,522,095 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board 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 the financial statements for longer period is due to the adoption of IPSAS for schools 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.

However, Management presented the annual report and financial statements covering only one year for financial year 2020-2021. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed by the Public Sector Accounting Standards Board.

In addition, Management did not include the statement of budgeted amounts versus actual amounts in the annual reports and financial statements while page numbering was not properly done.

In the circumstances, the financial statements have not been prepared in accordance with the recommended reporting template and guidelines issued by the Public Sector Accounting Standards Board.

2. Lack of Approved Staff Establishment

Review of the payroll records revealed that the School did not have an approved and staff establishment and salary structure which govern non-teaching staff.

In the circumstances, it was not possible to establish whether the School employed the right number of non-teaching employees and whether they were paid the correct salaries and wages.

3. Unaccounted for Textbooks

Review of the School's records relating to management of textbooks revealed that several text books were delivered by the Ministry of Education to the School but some could not be accounted for as detailed below;

Title of Books Delivered	Date	Quantity Received	Number of Books Verified	Number of Books Unaccounted
Memories we Lost	06/01/2021	475	347	128
Kigogo	15/01/2021	475	416	59
Chози la Heri	13/01/2021	475	177	298
A Doll's House	13/01/2021	475	362	113

In the circumstances, the custody and safe management of the School's textbooks could not be confirmed.

4. Unconfirmed Repairs and Services Expenditure

The statement of receipts and payments reflects boarding and school fund payments of Kshs.18,748,275 and as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.924,800 which was incurred on maintenance and improvements that further included Kshs.282,450 spent on repairs and servicing of the school bus. However, defects report and pre and post inspection reports in support of the repairs and services were not provided for audit.

In the circumstances, the value for money on repairs and service of the school bus amount of Kshs.282,450 could not be confirmed.

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 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

1 Weak Controls on Cash Management

Review of the cash book records and bank statements revealed several cash withdrawals without any approved limits. In addition, the cashbooks were not signed by a senior officer to confirm the accuracy and completeness of the transactions.

In the circumstances, the effectiveness of controls in cash management could not be confirmed.

2 Failure to Maintain a Fixed Assets Register

Review of records revealed that the Management did not maintain a fixed asset register of the buildings, motor vehicles, office equipment, furniture and fittings and other assets. This was contrary to Regulation 143(1) of Public Finance Management (National

Government) Regulations, 2015 which prescribes that 'the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws'.

In the circumstances, the effectiveness of controls in fixed assets management could not be confirmed.

3 Weaknesses in Imprests Management

Review of documents revealed that the School did not maintain an imprests register and thus imprests holders, amount applied for and outstanding imprests could not be confirmed. In addition, the imprests had not been surrendered as at the time of audit in the month of June, 2023, contrary to Regulation 93 of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of controls in the management of imprest 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 Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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, CBS
AUDITOR-GENERAL

Nairobi

11 October, 2023

KHASOKO BOYS HIGH SCHOOL
STATEMENT OF RECEIPTS AND PAYMENTS

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,201,391.75	1,557,691.00
Capitation grants for operations	2	8,428,609.55	10,054,825.00
School Fund Income- Parents' Contribution	3	18,748,275.00	26,407,142.50
School Fund Income- Other receipts	4	8,275,750.00	159,465.00
Proceeds from borrowings			
TOTAL RECEIPTS		36,654,026.30	38,179,123.50
PAYMENTS			
Payments for Tuition	5	1,872,038.00	2,370,450.00
Payments for operations	6	6,575,170.00	11,337,137.00
Boarding and school fund payments	7	17,761,551.03	22,727,447.77
TOTAL PAYMENTS		26,208,759.03	36,435,034.77
SURPLUS/DEFICIT		10,445,267.27	1,744,088.73

Sign: 

Name: Prof. Okumu W.
Bigambo
Chair BOM

Date 10/3/2022

Sign: 

Name: Mr. Daniel O.
Wasambo
School Principal/
Secretary BOM

Date 10/3/2022

Sign: 

Name: Ms. Christine
M. Naliaka
Bursar/
Finance Officer

Date 10/3/2022



KHASOKO BOYS HIGH SCHOOL

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2020 - 2021 Kshs	2019 - 2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	8,250,178.23	4,446,331.08
Cash Balances	9	696.90	6,886.90
Short term Investment	10	-	-
Total Cash and Cash Equivalents		8,250,875.13	4,453,217.98
Account's receivables	11	34,522,095.70	29,506,414.70
TOTAL FINANCIAL ASSETS		42,772,970.83	33,959,632.68
FINANCIAL LIABILITIES			
Accounts Payable	12	6,494,347.50	8,126,276.62
NET FINANCIAL ASSETS		36,278,623.33	25,833,356.06
REPRESENTED BY			
Fund balance b/fwd...	13	25,833,356.06	24,089,267.33
Surplus/Defict for the year		10,445,267.27	1,744,088.73
NET FINANCIAL POSITION		36,278,623.33	25,833,356.06

Name: Prof. Okumu W.
Bigambo
Chair BOM

Sign: 

Date 10/3/2022

Name: Mr. Daniel O.
Wasambo
School Principal/
Secretary BOM

Sign: 

Date 10/3/2022

Name: Ms. Christine
M. Naliaka
Bursar/
Finance Officer

Sign: 

Date 10/3/22



KHASOKO BOYS HIGH SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

		2020 - 2021	2019 - 2020
		Kshs	Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
Capitation grants for tuition	1	1,201,391.75	1,557,691.00
Capitation grants for operations	2	8,428,609.55	10,054,825.00
School fund income- Parents contributions/ fees	3	18,748,275.00	26,407,142.50
School fund income- other receipts	4	8,275,750.00	159,465.00
Total receipts		36,654,026.30	38,179,123.50
Payments			
Payments for Tuition		1,872,038.00	2,370,450.00
Payments for operations		6,575,170.00	11,337,137.00
Boarding and school fund payments		17,761,551.03	22,727,447.77
		26,208,759.03	36,435,034.77
cash flow from operating activities before working capital adjustments		10,445,267.27	1,744,088.73
Add/less decrease/increase in receivables		(5,015,681.00)	(4,470,920.34)
Add/less increase/decrease in payables		(1,631,929.12)	2,229,578.96
Net cash flows from Operating Activities		3,797,657.15	(497,252.65)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			-
Acquisition of Assets			-
Proceeds from investments			-
Net cash flows from Investing Activities			-
NET CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			-
Repayment of principal borrowings			-
Net cash flows from borrowing Activities			-
NET INCREASE IN CASH AND CASH EQUIVALENT		3,797,657.15	(497,252.65)
Cash and cash equivalent at BEGINNING of the year	10	<u>4,453,217.98</u>	<u>4,950,470.63</u>
Cash and cash equivalent at END of the year		<u>8,250,875.13</u>	<u>4,453,217.98</u>

KHASOKO BOYS HIGH SCHOOL

I. NOTES TO THE FINANCIAL STATEMENTS			
CAPITATION GRANT FOR TUITION			
		2020-2021	2019-2020
		Kshs	Kshs
Textbooks and reference materials		-	
Exercise books			
Laboratory equipment			6,370.00
Internal exams			
Teaching / learning materials		872,698.75	1,546,321.00
Chalks			
Exams and assessment			
Reference/Library		328,693.00	5,000.00
Teachers guides			
Total		1,201,391.75	1,557,691.00

CAPITATION GRANT FOR OPERATIONS

		2020-2021	2019-2020
		Kshs	Kshs
Personnel emoluments			
Maintenance and Improvement		3,457,000.00	3,800,500.00
Local transport / travelling			
Electricity and water			
Other voteheads		4,071,609.55	5,753,325.00
Medical			167,000.00
Administration costs			
BOM Teachers		900,000.00	
Activity			334,000.00
Total		8,428,609.55	10,054,825.00

PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

		2020-2021	2019-2020
		Kshs	Kshs
Personnel emoluments		1,434,030.00	2,533,076.00
Fee on Boarding Equipment and Stores		11,741,345.00	13,389,507.50
Maintenance and Improvement		924,800.00	1,688,856.00
Local transport / travelling		1,410,320.00	2,965,602.00
Electricity and water		2,266,740.00	3,985,903.00
Lunch			
Homescience			
Other voteheads			
Medical			
Lunch			
Administration costs		855,440.00	1,623,195.00
Activity		115,600.00	221,003.00
Total		18,748,275.00	26,407,142.50

OTHER RECEIPTS - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Rent income		13,500.00
Income from farming activities	1,250.00	
Income from slaughter house		
Income from Posho mill	47,115.00	67,965.00
Income from Bus Hire	112,000.00	78,000.00
Income from bakery	1,170,885.00	
Fee for hire of ground and equipment		
Income from grants-infrastructure	500,000.00	
Tender fees	47,000.00	
Damages	6,397,500.00	
Lost books		
Dividends income		
Total	8,275,750.00	159,465.00

PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	513,000.00	1,026,300.00
Laboratory equipment	463,098.00	518,550.00
Internal exams	317,180.00	417,770.00
Teaching / learning materials	466,500.00	299,960.00
Chalks	21,960.00	18,330.00
Exams and assessment		
Ref/library	89,940.00	89,060.00
Administration Costs		
Bank Charges	360.00	480.00
Total	1,872,038.00	2,370,450.00

PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	2,353,525.00	2,936,494.00
Service Gratuity		
Administration Cost	1,435,504.00	1,533,720.00
Maintenance and Improvement	565,600.00	896,130.00
Local transport / travelling	763,742.00	1,391,292.00
Welfare		
Electricity and water	536,519.00	323,621.00
Medical	156,630.00	91,610.00
Infrastructure		3,340,000.00
BOM Teachers	606,000.00	
Bank Charges		
Activity Expenses	157,650.00	824,270.00
Acquisition of Assets		-
TOTAL	6,575,170.00	11,337,137.00

SHORT TERM INVESTMENTS

Description		2020-2021	2019-2020
		Kshs	Kshs
Cooperative shares		-	-
Treasury Bills		-	-
Fixed deposit		-	-
Equity stock		-	-
Other investments		-	-
Total		-	-

ACCOUNTS RECEIVABLE

Description		2020-2021	2019-2020
		Kshs	Kshs
Fees arrears		33,507,050.70	28,938,069.70
Other non-fees receivables			
Interborrowing-School fund a/c(to operation)		333,000.00	
RD Cheque		24,218.00	24,218.00
Advance		49,500.00	27,500.00
Imprest		608,327.00	516,627.00
Total		34,522,095.70	29,506,414.70

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

Description		2020-2021	2019-2020
		Kshs	Kshs
Fees arrears for current year		10,007,317.00	10,231,669.00
Fees arrears for the previous year		4,793,333.00	3,867,630.00
Fees arrears for prior periods (over two years)		18,706,400.70	14,838,770.70
Total		33,507,050.70	28,938,069.70

ACCOUNTS PAYABLE

Description		2020-2021	2019-2020
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		1,556,439.00	1,826,397.00
Interborrowing-Operation a/c(by school fund)		333,000.00	
Bursary fund		113,000.00	77,000.00
PAYE		49,518.05	27,966.62
Bank loan		2,763,790.45	3,973,783.00
Prepaid fees		1,594,944.00	2,142,749.00
Excess fees		83,656.00	78,381.00
Retention monies		-	-
Total		6,494,347.50	8,126,276.62

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

Description		2020-2021	2019-2020
		Kshs	Kshs
Trade creditors for current year		1,556,439.00	1,826,397.00
Trade creditors for the previous year		-	-
Trade creditors for prior periods (over two		-	-
Total		1,556,439.00	1,826,397.00

FUND BALANCE BROUGHT FORWARD

Description		2020-2021	2019-2020
		Kshs	Kshs
Bank balances		4,446,331.08	4,950,335.63
Cash balances		6,886.90	135.00
Short Term Investments		-	-
Receivables		29,506,414.70	25,035,494.36
Payables		(8,126,276.62)	(5,896,697.66)
Total		25,833,356.06	24,089,267.33

Other important disclosure notes

Non-current Liabilities Summary

Description		2020-2021	2019-2020
		Kshs	Kshs
Bank loan(s)		-	-
Outstanding Leases		-	-
Hire purchase		-	-
Gratuity and leave provision		-	-
Total		-	-

Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

Borrowings

Description		2020-2021	2019-2020
		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		-	-

1 Stock/ Inventory

Description		2020-2021	2019-2020
		KShs	KShs
Stock/Inventory			
Stock/ inventory at beginning of the year		-	-
Stock/ inventory purchased during the year		-	-
Stock/ inventory issued during the year		-	-
Balance at end of the year		-	-

KHASOKO BOYS HIGH SCHOOL

TRIAL BALANCE AS AT 30TH JUNE 2020

	DR	CR
Cash and Cash equivalents		
Bank Balances	8,250,178.23	
Cash Balances	696.90	
Short term investments	-	
Receivables	34,522,095.70	
Payments		
Payments for Tuition	1,872,038.00	
Payments for operations	6,575,170.00	
Boarding and school fund payment	17,761,551.03	
Receipts		
Capitation grants for tuition		1,201,391.75
Capitation grants for operations		8,428,609.55
School Fund Income- Parents' Contributions		18,748,275.00
School Fund Income- Other receipts		8,275,750.00
Proceeds from borrowings		
Prior Year Adjustment		
Fund Balance b/f		25,833,356.06
Payables		6,494,347.50
TOTAL	68,981,729.86	68,981,729.86

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 account 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 2020