

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT DATE: 02 DEC 2024 DAY: MONDAY

OF

TABLED BY:	HON. NAOMI WAQO, MP DEPUTY MAJORITY WHIP
CLERK AT THE TABLE:	KESTER NGINYO

**THE AUDITOR-GENERAL**

**ON**

**MUUMANDU SECONDARY SCHOOL**

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

**MACHAKOS COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
30 JUL 2024  
**RECEIVED**



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**MUUMANDU SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE EIGHTEEN MONTHS ENDED  
30<sup>TH</sup> JUNE 2021**

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



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**1. Acronyms and Glossary of Terms**

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

## 2. 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 in Machakos County, Kalama Sub-County.

The school was registered in 22/7/2019 under registration number 1653000451 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a day and boarding school and had 565 students as at 30<sup>th</sup> June 2021. It has 3 streams and 23 teachers of which 3 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	Mr. Mutua kilaka	Chairman	26/6/2019
2	Mr. Patrick mwangangi	Secretary - Principal	"
3	Mr. benjamin mutiso	sponsor	"
4	Mrs. Juliana kakuli	sponsor	"
5	Mr. Martin mulela	Member	"
6	Mr. jacob mutiso	Member	"
7	Mrs. jackline muli	Member	"
8	Mr. stanley muthama	Member – Rep CEB	"
9	Mr. Andrew kiome	Member Rep Teachers	"
10	Mrs. Judith tom	Member	"
11	Mr. Joseph mwanzia	Member	"
11	Dr. Nelson muthiani	Member - Community	"
12	Mrs. Elizabeth mutuku	Member Special Needs	"
13	Mr. josphat nzioka	Member special interest group	"

**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, 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	Mutua kilaka Patrick mwangangi Jonathan mumama Jacob mutiso Elizabeth mutuku	chairman secretary PA chairman Member member	0
2	Audit Committee	Stanley muthama Jacob mutiso Benjamin mutua Jonathan mumama Josphat nzioka	Chairman Member Member Member member	1
3	Finance, procurement and general purposes Committee	Martin mwanthi Stanley muthama Dr. Nelson muthiani Jacob mutiso	Chairman Member Member member	0
4	Academic Committee	Dr. Nelson muthiani Josphat nzioka Juliana kakuli Andrew kiome	Chairman Member Member member	1
5	Development Committee	Benjamin mutiso Mutua kilaka Patrick mwangangi	Chairman Member Member	2

*MUUMANDU SECONDARY SCHOOL*

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

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		Jonathan mumama Elizabeth mutuku Nelson muthiani Andrew kiome	Member Member Member member	
6	Discipline and welfare Committee	Judith tom Joseph mwanzia Jackline muli Andrew kiome	Chairman Member Member member	0
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mr.Patrick Mwangangi	TSC No. 361233
2	Deputy Principal	Mr. Andrew Kiome	TSC No. 388268
3	School Bursar	Mrs. Sarah Tom	ID No. 22271498
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 488 Machakos  
Telephone: 0721072222  
E-mail: muumandusecondaryschool@gmail.com

**(f) School Bankers**

1. Account Name BOARDING  
Name of Bank KCB  
Branch: Machakos  
Account Number: 1106393775
2. Account Name TUITION  
Name of Bank KCB  
Branch : Machakos  
Account Number: 1106379241
3. Account Name OPERATION  
Name of Bank: KCB  
Branch Machakos  
Account Number: 1106330447
4. Account Name INFRASTRUCTURE  
Name of Bank KCB  
Branch Machakos  
Account Number 1265736480
5. Account Name CDF  
Name of Bank KCB  
Branch Machakos  
Account Number 1113451432
6. Mpesa pay bill No. Busines Number 522123  
Account No. 40222K  
Attached to Bank account 1106393775

**(g)Independent Auditors**

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

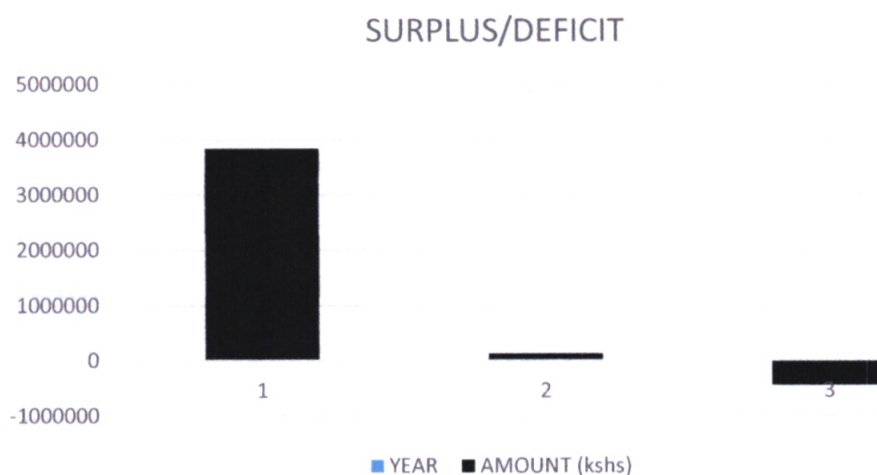
**3. Summary Report of Performance of The School**

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

**a) Financial performance:**

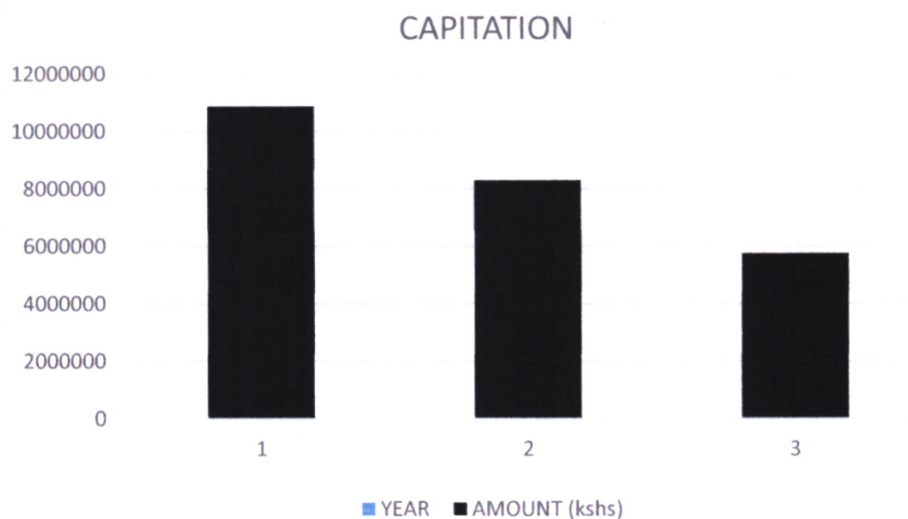
*i. Surplus/ deficit for the year and a comparison of the same for the last three years*

YEAR	2020/2021	2019	2018
AMOUNT (kshs)	3,835,820.00	125,163.90	(451,864.20)



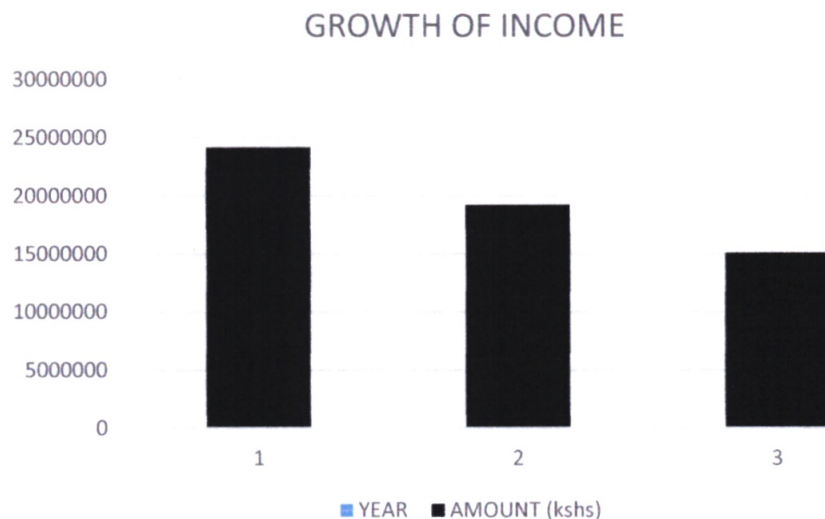
*ii. Capitation grants from the Ministry of Education for the last three years*

YEAR	2020/2021	2019	2018
AMOUNT (kshs)	10,858,951.00	8,292,740.90	5,737,164.80



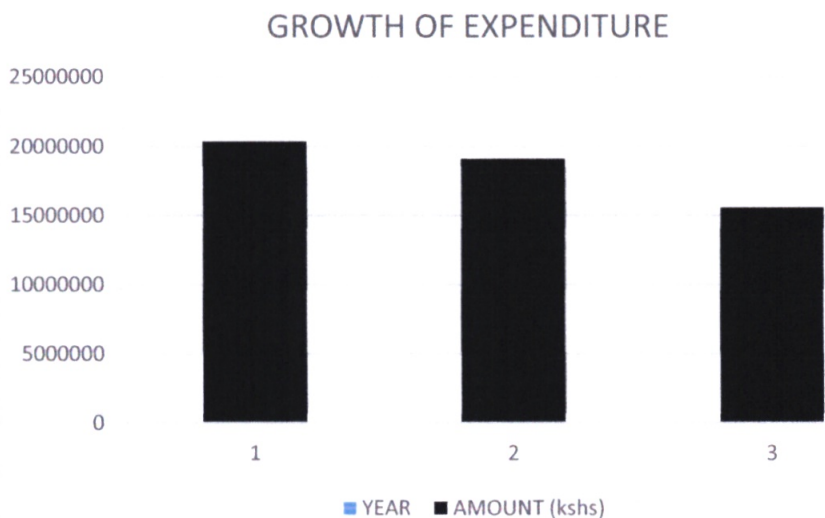
iii. A three-year overview of growth of other income(s) earned by the school.

YEAR	2020/2021	2019	2018
AMOUNT (kshs)	24,175,983.00	19,205,403.90	15,094,844.30



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

YEAR	2020/2021	2019	2018
AMOUNT (kshs)	20,340,163.00	19,080,240.00	15,546,708.50



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

v. Movement of debtors and creditors of the school over the last three year

YEAR	2020/2021	2019	2018
DEBTORS (kshs)	3,684,292.00	3,980,317.00	4,350,163.00
CREDITORS (kshs)	358,200.00	1,501,376.00	968,279.00

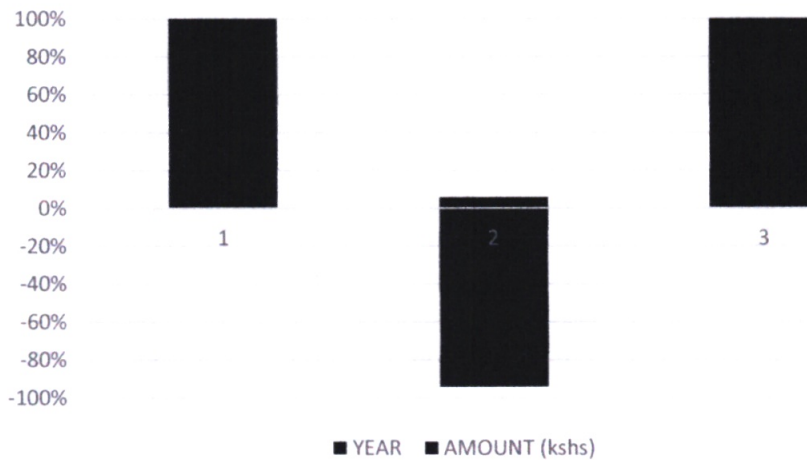
DEBTORS/CREDITORS



vi. Movement of cash and bank balances over the last three years

YEAR	2020/2021	2019	2018
AMOUNT (kshs)	2,956,025.00	(32,644.00)	14,671.75

CASH/BANK BALANCE



**b. Teacher Student ratio:**

*Between the month of January 2020 and June 2021 the status of the teaching staff is as follows*

*There are 20 teachers posted by TSC and 3 recruited by BOM.*

*Two teachers were posted to our school within the year*

*No teacher was transferred during the year*

*No retiree within the year.*

*There are three BOM teachers*

*We have a shortage of 8 teachers from the given CBE*

*Teacher student ratio is 1:23*

<b>SUBJECT</b>	<b>NO. OF TEACHERS</b>
<b>MATHEMATICS</b>	5
<b>ENGLISH</b>	4
<b>KISWAHILI</b>	4
<b>CHEMISTRY</b>	3
<b>PHYSICS</b>	3
<b>BIOLOGY</b>	2
<b>HISTORY</b>	2
<b>C.R.E</b>	3
<b>GEOGRAPHY</b>	4
<b>BUSINESS STUDIES</b>	2
<b>COMPUTER</b>	1
<b>AGRICULTURE</b>	1

MUUMANDU SECONDARY SCHOOL

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

c. Mean score in the 2018,2019 and 2020 KCSE:

year	enrolment	mean	transition	Transition%	School target	comments
2020	86	4.29	5	5.8 %	6.5	
2019	94	5.86	27	28.7%	5.5	
2018	54	4.15	9	16.6%	4.5	

d. Number of Candidates in the 2018, 2019 and 2020 KCSE:

GRADE	2018	2019	2020
A	0	0	0
A-	0	3	0
B+	0	2	0
B	0	3	0
B-	3	11	0
C+	6	9	5
C	3	18	10
C-	7	24	20
D+	11	20	26
D	13	4	20
D-	11	0	5
E	0	0	0
<b>TOTAL NUMBER OF STUDENTS</b>	<b>54</b>	<b>94</b>	<b>86</b>

e. Capacity of the school:

Dormitories	Girls 1 Boys 1
Dining hall	0
laboratory	0
library	0
classrooms	11
Computer rooms	1
staffroom	1
bathrooms	12
toilets	23

**f. Development projects carried out by the school:**

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Kitchen construction	Infrastructure funds	Completed		1,040,570	Complete
Lockers & chairs	Infrastructure funds	completed		360,000	complete
Office construction	Infrastructure funds & boarding account	completed		597,760	complete
toilet	Infrastructure funds	completed		401,106	completed

.....  
**School Principal**



**4. 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 *MUUMANDU SECONDARY SCHOOL* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.



.....  
**Name: MR. MUTUA KILAKA**

**Designation:** Chairman, School Board of Management

**Date:** 29/7/24

  
.....

**Name: MR. PATRICK MWANGANGI**

**Designation:** School Principal & Secretary to Board of Management

**Date:** 29/7/24



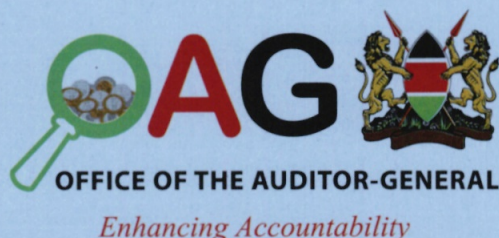
.....  
**Name: MRS. SARAH TOM**

**Designation:** Bursar/ Finance Officer

**Date:** 29/7/24

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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HEADQUARTERS  
Anniversary Towers  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MUUMANDU SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – MACHAKOS 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 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 purposes.
- 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 under 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 Muumandu Secondary School - Machakos County set out on pages 1 to 22, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Muumandu Secondary School – Machakos County as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

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

The statement of financial assets and financial liabilities reflects receivables balance of Kshs.3,684,292 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, included in the balance are receivables balance of Kshs.3,526,231 which had been outstanding for more than three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts recoverable balance.

In the circumstances, the accuracy and full revocability of the receivables balance of Kshs.3,525,231 could not be confirmed.

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

### **Emphasis of the Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.22,541,000 and Kshs.24,175,983 respectively resulting to a budgetary over-funding of Kshs.1,634,983 or 7% of the budget. However, the School spent a balance of Kshs.20,340,163 against actual receipts of Kshs.24,175,163 resulting to an under-utilization of Kshs.3,835,000 or 16% of the receipts.

In the circumstances, the underutilization of the budget may have affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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

### **Basis for Conclusion**

#### **1. Late Submission of Financial Statements**

During the year under review, Management submitted the financial statements to the Auditor-General on 19 September, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education Circular Ref.No.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

#### **2. Delayed Transfer of Infrastructure Funds from Operations Account**

The statement of receipts and payments reflects operations grants amount of Kshs.5,670,110 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.3,322,867 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, the funds were transferred to Infrastructure account after fifteen (15) days. In addition, Note 4 to the financial statements reflects Kshs.465,980 paid for repair and maintenance from the boarding account instead of first transferring the funds to the

infrastructure account. This is contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

### **3. Unauthorized Opening of Bank Accounts**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.2,956,025 as disclosed in Note 10 and 11 to the financial statements. Included in the balance is a bank balance of Kshs.2,808,639 which comprised of four (4) bank accounts. However, authority to open and operate the accounts was not provided for audit. This is contrary to Regulations 82(4) of the Public Management Act (National Government) Regulations, 2015 which provides, except with the prior authority of the National Treasury, no accounting officer may open a bank account for the deposit, custody or withdrawal of public moneys or other moneys for which he or she is responsible in his or her official capacity or for the transaction of official banking business.

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

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

The statement of receipts and payments reflects an amount of Kshs.24,175,983 and Kshs.20,340,163 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

In the circumstances, Management was in breach of the law

### **5. Irregular Accounting for Other Receipts**

The statement of receipts and payments reflects miscellaneous income of Kshs.361,875 as disclosed in Note 5 to the financial statements. The receipts include an amount of Kshs.197,300, Kshs.116,975 and Kshs.47,600 in respect of bus hire income, damages/losses and income from KCSE exam respectively. However, Management did not operate a separate account for other receipts and was co-mingling other receipts with the School fund contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021.

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

## **6. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.11,880,704 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.478,075 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money of funds transferred to KESSHA amounting to Kshs.478,075 could not be confirmed.

## **7. Unconfirmed Student Enrollment Data**

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.10,858,951. Comparison of data from National Education Management and information System (NEMIS) with records from the School revealed that during the financial year, the NEMIS reported a total number of 491 students while the records from the enrolment record provided by the School indicated a total of 489 students resulting to two (2) students not being registered in NEMIS. At annual capitation of Kshs.22,444, the School was under funded by Kshs.44,800 for the period ended 30 June, 2022.

In the circumstances, the school could have been underfunded due to inaccurate enrolment data.

## **8. Non Compliance with the Law on Board Ethnic Diversity**

The School had a Board of Management of thirteen (13) Members with a women representation of 30%. However, ethnic and regional diversity of the people of Kenya was not observed as all members were from the dominant county. This is contrary to Section 57(2) of Basic Education Act, 2013 which provides that in appointing persons as members of a board of management, the nominating and appointing authority shall observe and respect: (a) the ethnic and regional diversity of the people of Kenya. (b) impartiality and gender equity (c) Article 10 and Chapter Six of the Constitution.

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

## **9. Inadequacy in Number of Board Committee Meetings**

Review of the various committee minutes and paragraph C on committees of the board at page iv of the financial statements revealed executive Committee, Finance, procurement and general purpose committee and discipline and welfare committee did

not meet during the eighteen months ended June, 2021. In addition, audit committee and academic committee only met once while development committee met twice. This is contrary Section 6(1) of the fourth schedule of the Basic Education Act, 2013, which states that a Board of Management committees shall meet at least once every four months.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 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 overall governance were not effective.

### Basis for Conclusion

#### 1. Incomplete Assets Register

Annex 2 to the financial statements reflects a summary of fixed assets register with a total historical cost of Kshs.50,328,000. However, the assets register provided for audit review lacked mandatory information for both existing and acquired assets including dates of acquisition, persons responsible, assets' location, assets' values net of depreciation and amortization and current market values.

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

#### 2. Lack of Ownership Documents

Annex 2 to the financial statements reflects a summary of fixed assets register with a total historical cost amounting to Kshs.50,328,000 which includes land with a historical cost of Kshs.4,000,000. The School is located in Muumandu township at a land of whose ownership documents or allocation/allotment letters were not provided for audit. Additionally, the School purchased land at a cost of Kshs.500,000 and plot at an amount of Kshs.300,000 on 17 February, 2012. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and custody of school land could be confirmed.

### **3. Lack of Approved Human Resource Instruments**

The Management did not provide an approved Human Resource Policy, Procedure manual, Staff establishment, Scheme of service and salary structure for Board Employees for the financial year ending 30 June, 2021. It was unclear how vacancies were identified, filled and remunerated. Further, no records were provided to confirm that the School has a qualified Human Resource personnel as per the Human Resource Management Professionals Act No.29 of 2012.

In the circumstances, the School did not benefit from the advisory role of the Human Resource expert.

### **4. Lack of Risk Management Policy**

During the period under review, the School did not have a risk management strategy in place. There were no approved processes and guidelines on how to mitigate operational, legal and financial risks. Further, Management did not perform formal risk assessments on all key financial risk areas such as cash, revenue and expenditure. In addition, it was noted that the management lacks a disaster recovery plan/business continuity plan and therefore crucial information may not be recovered in the event of a disaster.

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

### **5. Over Supply of Text Books**

Review of the text books issued to the School for the period ended 30 June, 2021 revealed a delivery of 272 books against a student population of 251 students. This resulted aggregate excess supply of 168 text books for eight (8) categories of books.

In the circumstances, the propriety of the books supplied could not be confirmed.

The audit was conducted in accordance with the 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 the 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 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 its 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 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

4 November, 2024

6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2021

Description Of Vote Head	Note	Jan 2020-june 2021	Year 2019
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	1,457,841.00	-
Government grants for operations	2	5,670,110.00	-
Government Grants for infrastructure	3	3,731,000.00	-
School fund income- parents' contributions	4	12,955,157.00	-
Miscellaneous incomes	5	361,875.00	-
<b>Total Receipts</b>		<b>24,175,983.00</b>	-
<b>Payments</b>			
Tuition	6	1,216,311.00	-
Operations	7	4,723,621.00	-
Infrastructure	8	2,519,527.00	-
Boarding and school fund	9	11,880,704.00	-
<b>Total Payments</b>		<b>20,340,163.00</b>	-
<b>Surplus/Deficit</b>		<b>3,835,820.00</b>	-

The school financial statements were approved on 29/7/24 2024 and signed by:



Name: MUTUA KILAKA

Chair BOM

Date: 29/7/24



Name: PATRICK MWANGANGI  
School Principal/ Secretary to BOM

Date: 29/7/2024



Name: SARAH TOM

Bursar/ Finance Officer

Date: 29/7/24

7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2021

Description	Note	Jan 2020- june 2021	2019
		Kshs	kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	2,808,639.00	(33,435.00)
Cash balances	11	147,386.00	791.00
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>2,956,025.00</b>	<b>(32,644.00)</b>
Account's receivables	13	3,684,292.00	3,980,317.00
<b>Total financial assets</b>		<b>6,640,317.00</b>	<b>3,947,673.00</b>
<b>Financial liabilities</b>			
Accounts payables	14	358,200.00	1,501,376.00
<b>Net financial assets</b>		<b>6,282,117.00</b>	<b>2,446,297.00</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	2,446,297.00	2,446,297.00
<b>Surplus/deficit for the year</b>		<b>3,835,820.00</b>	
<b>Net financial position</b>		<b>6,282,117.00</b>	<b>2,446,297.00</b>

The school's financial statements were approved on 29/7/2024 and signed by:

.....  
 Name: MUTUA KILAKA  
 Chair BOM  
 Date: 29/7/24

.....  
 Name: PATRICK  
 MWANGANGI  
 School Principal/ Secretary to  
 BOM  
 Date: 29/7/24

.....  
 Name: SARAH TOM  
 Bursar/ Finance Officer  
 Date: 29/7/24

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2021

Description	Note	Jan 2020-june 2021	2019
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition	1	1,457,841.00	-
Government grants for operations	2	5,670,110.00	-
Government grants for infrastructure	3	3,731,000.00	-
School fund income- parents contributions/ fees	4	12,655,408.00	-
Other income	5	361,875.00	-
<b>Total receipts</b>		<b>23,876,234.00</b>	-
<b>Payments</b>			
Cash outflows for tuition	6	1,162,511.00	-
Cash outflows for operations	7	4,763,621.00	-
Cash outflows for boarding lunch and school fund	9	12,441,906.00	-
<b>Total payments</b>		<b>18,368,038.00</b>	-
<b>Net cash inflow/outflow from operating activities</b>		<b>5,508,196.00</b>	-
<b>Cash flow from investing activities</b>			
Cash outflows for infrastructure	8	2,519,527.00	
Proceeds from sale of Assets		-	
Proceeds from investments		-	
Purchase of investments		-	
<b>Net cash inflow/outflows from investing activities</b>		<b>2,519,527.00</b>	-
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
<b>Net cash inflow/outflow from financing activities</b>		-	-
<b>Net increase/decrease in cash and cash equivalents</b>		<b>2,988,669.00</b>	
Cash and cash equivalent at beginning of the year	10/11	(32,644.00)	
<b>Cash and cash equivalent at end of the year</b>		<b>2,956,025.00</b>	<b>(32,644.00)</b>

The school's financial statements were approved on 29/7/ 2024 and signed by:



Name: MUTUA KILAKA

Chair BOM

Date: 29/7/24



Name: PATRICK  
MWANGANGI  
School Principal/ Secretary to  
BOM

Date: 29/7/24



Name: SARAH TOM

Bursar/ Finance Officer

Date: 29/7/24

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2021

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
<b>RECEIPTS</b>					
<i>(1) GOVERNMENT GRANT ON TUITION</i>					
Textbooks and reference materials	-	-	-		
Exercise books			-		
Laboratory equipment			-		
Internal exams			-		
Teaching / learning materials	1,350,000.00		1,350,000.00	1,457,841.00	108.0%
Chalks			-		
Teachers guides			-		
<b>TOTAL</b>	<b>1,350,000.00</b>	<b>-</b>	<b>1,350,000.00</b>	<b>1,457,841.00</b>	<b>108.0%</b>
<i>(2) GOVERNMENT GRANT ON OPERATIONS</i>			-		
Other vote heads	4,900,000.00		4,900,000.00	5,404,910.00	110.3%
Repairs and maintenance	-		-	-	

MUUMANDU SECONDARY SCHOOL

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Local transport / travelling	-	-	-	-	
Electricity and water	-	-	-	-	
Medical	235,000.00		235,000.00	88,400.00	37.6%
Administration costs	-	-	-	-	
Activity	215,000.00		215,000.00	176,800.00	82.2%
Infrastructure grant, computer lab					
Infrastructure grant, 3classrooms					
Infrastructure grant, ablution block					
Gratuity			-	-	
SMASSE			-	-	
<b>TOTAL</b>	<b>5,350,000.00</b>	<b>-</b>	<b>5,350,000.00</b>	<b>5,670,110.00</b>	<b>106.0%</b>
<b>(3) GOVERNMENT GRANT FOR INFRASTRUCTURE</b>					
Infrastructure projects	3,400,000.00		3,400,000.00	3,731,000.00	109.7%
Construction of laboratory			-		
Construction of dormitory			-		
Purchase of furniture			-		
Purchase of equipment			-		
Drilling of boreholes			-		
Bank charges			-		
<b>Total</b>	<b>3,400,000.00</b>	<b>-</b>	<b>3,400,000.00</b>	<b>3,731,000.00</b>	<b>109.7%</b>

MUUMANDU SECONDARY SCHOOL

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

<b>(4) FEES CHARGED ON PARENTS</b>			-	-	
Other vote heads	2,900,000.00		2,900,000.00	2,713,945.00	93.6%
Repairs and maintenance	661,000.00		661,000.00	465,980.00	70.5%
Local transport / travelling			-	-	
Electricity and water			-	-	
Medical			-	-	
Administration costs			-	-	
Activity	80,000.00		80,000.00	56,318.00	70.4%
SMASSE			-	-	
Fee on Boarding Equipment and Stores	8,800,000.00		8,800,000.00	9,718,914.00	110.4%
<b>TOTAL</b>	<b>12,441,000.00</b>	<b>-</b>	<b>12,441,000.00</b>	<b>12,955,157.00</b>	<b>104.1%</b>
			-	-	
<b>(5) MISCELLANEOUS INCOME</b>			-	-	
Losses			-	116,975.00	
Exam			-	47,600.00	
Income from Posho mill			-	-	
Bus hire			-	197,300.00	
Fee for hire of ground and equipment			-	-	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>361,875.00</b>	
<b>TOTAL INCOME</b>	<b>22,541,000.00</b>	<b>-</b>	<b>22,541,000.00</b>	<b>24,175,983.00</b>	<b>107.3%</b>

<b>(6) EXPENDITURE FOR TUITION</b>					
Textbooks and reference materials	-		-	-	
Exercise books	-		-	-	
Laboratory equipment	-		-	-	
Internal exams	-		-	-	
Teaching / learning materials	1,350,000.00		1,350,000.00	1,212,365.00	89.8%
Chalks	-		-	-	
Bank charges	-		-	3,946.00	
<b>TOTAL</b>	<b>1,350,000.00</b>	<b>-</b>	<b>1,350,000.00</b>	<b>1,216,311.00</b>	<b>90.1%</b>
<b>(7) EXPENDITURE FOR OPERATIONS</b>					
Personnel emoluments			-		
Other voteheads	4,900,000.00		4,900,000.00	4,179,468.00	25.4%
Administration Cost			-		
Repairs and maintenance & improvements			-		
Local transport / travelling			-		
Electricity and water			-		

Medical	235,000.00		235,000.00	258,618.00	110.1%
Activity Expenses	215,000.00		215,000.00	285,535.00	132.8%
Insurance			-		
Bank Charges			-		
Acquisition of Assets			-		
<b>TOTAL</b>	<b>5,350,000.00</b>	<b>-</b>	<b>5,350,000.00</b>	<b>4,723,621.00</b>	<b>88.3%</b>
<b>(8) EXPENDITURE FOR INFRASTRUCTURE</b>					
Infrastructure projects	3,400,000.00		3,400,000.00	2,516,553.00	74.0%
Construction of laboratory					
Construction of dormitory					
Purchase of furniture					
Purchase of equipment					
Purchase of apparatus					
Drilling of boreholes					
Bank charges				2,974.00	
<b>TOTAL</b>	<b>3,400,000.00</b>	<b>-</b>	<b>3,400,000.00</b>	<b>2,519,527.00</b>	<b>74.1%</b>
<b>(9) EXPENDITURE FOR SCHOOL FUND</b>					
Other vote heads	2,900,000.00		2,900,000.00	3,167,945.00	109.2%
Boarding equipment and stores	8,800,000.00		8,800,000.00	7,179,468.00	81.6%
Repairs and maintenance	661,000.00		661,000.00	729,755.00	110.4%
BoM allowances			-	157,000.00	

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

Payroll expenses			-	339,731.00	
Administration costs			-		
Activity	80,000.00		80,000.00	84,340.00	105.4%
Bank charges			-		
Uniform			-		
Losses			-	81,505.00	
Farm			-		
Exam			-	29,900.00	
Bus hire			-	111,060.00	
Project			-	-	
<b>TOTAL</b>	<b>12,441,000.00</b>	<b>-</b>	<b>12,441,000.00</b>	<b>11,880,704.00</b>	<b>95.5%</b>
<b>TOTAL EXPENDITURE</b>	<b>22,541,000.00</b>	<b>-</b>	<b>22,541,000.00</b>	<b>20,340,163.00</b>	<b>90.2%</b>

## 10. 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 *Muumandu secondary 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 *Muumandu secondary school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *Muumandu secondary 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 *Muumandu secondary 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 *Muumandu secondary 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.

**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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has 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 *Muumandu secondary school* 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. (a) Subsequent events**

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

**(b) Reporting period**

The financial statements for Muumandu Secondary School cover a period of 18 months from January 2020 up to June 2021. This is because of the adoption of IPSAS for schools and the change from implementing the government fiscal year instead of a calendar year for schools.

**11. Notes To The Financial Statements**

**1 Government Grants for Tuition**

<b>Description</b>	<b>Jan 2020-june 2021</b>	<b>2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	1,457,841.00	
Others ( <i>specify</i> )*		
<b>Total</b>	<b>1,457,841.00</b>	

**2 Government Grants for Operations**

<b>Description</b>	<b>Jan 2020- june 2021</b>	<b>2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments		
Repairs And Maintenance		
Local Transport / Travelling		
Electricity And Water		
Medical	88,400.00	
Administration Costs		
Activity	176,800.00	
Other Vote Heads ( <i>specify</i> )*	5,404,910.00	
<b>Total</b>	<b>5,670,110.00</b>	

**3 Government Grants for infrastructure**

<b>Description</b>	<b>Jan 2020-june2021</b>	<b>2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Maintenance & Improvement	3,731,000.00	
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other ( <i>specify</i> )(NGCDF and County govt.		
<b>Total</b>	<b>3,731,000.00</b>	-

**4 School Fund Income - Parents Contribution/Fees**

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	465,980.00	
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity	56,318.00	
Fee on Boarding Equipment and stores	9,718,914.00	
Other voteheads	2,713,945.00	
Others (specify)		
<b>Total</b>	<b>12,955,157.00</b>	
<b>Add fees arrears recovered during the year</b>	<b>296,025.00</b>	
<b>Less prepaid fees from previous year</b>	<b>(595,774.00)</b>	
<b>Total as per cashflow</b>	<b>12,655,408.00</b>	

**5 Miscellaneous Incomes**

Description	Jan 2020-jun2021	2019
	Kshs	Kshs
Bus hire	197,300.00	
Damages/losses	116,975.00	
Tender		
Income From Bus Hire		
KCSE exam	47,600.00	
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (specify)*		
<b>Total</b>	<b>361,875.00</b>	

## Notes to the Financial Statements (continued)

## 6 Tuition

Description	Jan 2020-june2021	2019
	Kshs	Kshs
Exercise Books		
Textbooks		
Reference materials		
Laboratory Equipment		
Teaching / Learning Materials	1,212,365.00	
Exams And Assessment		
Teachers Guides		
Bank Charges	3,946.00	
<b>Total</b>	<b>1,216,311.00</b>	
<b>Add creditors paid during the year</b>	<b>75,880.00</b>	
<b>Less creditors for the year</b>	<b>(129,680.00)</b>	
<b>Total as per cashflow</b>	<b>1,162,511.00</b>	

## 7 Operations

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Personnel Emoluments		
Payroll expenses	2,936,148.00	
Administration Cost		
Repairs And Maintenance & Improvements		
Local Transport / Travelling		
Electricity And Water		
Medical	258,618.00	
Activity Expenses	285,535.00	
Bank charges		
Other voteheads	1,243,320.00	
Acquisition of assets		
<b>Total</b>	<b>4,723,621.00</b>	
<b>Add creditors paid during the year</b>	<b>40,000.00</b>	
<b>Total as per cashflow</b>	<b>4,763,621.00</b>	

Notes to the Financial Statements (continued)

**8 Infrastructure**

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Construction of classrooms	2,516,553.00	
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Bank charges	2,974.00	
<b>Total</b>	<b>2,519,527.00</b>	

**9 Boarding And School Fund**

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Personnel Emoluments		
Other voteheads	3,167,945.00	
Repairs And Maintenance & Improvements	729,755.00	
BOM allowances.	157,000.00	
Electricity And Water		
Payroll expenses	339,731.00	
Administration Costs		
Exam	29,900.00	
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores	7,179,468.00	
Activity	84,340.00	
Damages/losses	81,505.00	
Bus hire	111,060.00	
<b>Total</b>	<b>11,880,704.00</b>	
<b>Add creditor paid during the year 2020</b>	<b>735,127.00</b>	
<b>Add creditors paid during year 2021</b>	<b>54,595.00</b>	
<b>Less creditors for the year</b>	<b>(228,520.00)</b>	
<b>Total as per cashflow</b>	<b>12,441,906.00</b>	

(Expenses on income generating activities\*\* should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. 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)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	Jan 2020-june 2021	2019
	Active/Dormant		Kshs	Kshs
Tuition Account	active	1106379241	297,593.00	2,263.00
Operations Account	active	1106330447	907,036.00	487.00
School Fund Account/Boarding	active	1106393775	485,780.00	(36,559.00)
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account	active	1265736480	1,118,230.00	374.00
<b>Total</b>			<b>2,808,639.00</b>	<b>(33,435.00)</b>

11 Cash In Hand

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Notes and Coins	147,386.00	791.00
<b>Total</b>	<b>147,386.00</b>	<b>791.00</b>

12 Short Term Investments

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
<b>Total</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Fees Arrears	3,684,292.00	3,980,317.00
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
<b>Total</b>	<b>3,684,292.00</b>	<b>3,980,317.00</b>

13 b Ageing Analysis of Accounts Receivable

Description	Jan 2020-june 2021		2019	
	Kshs		Kshs	
	2020/2021	% of the total	2019	% of the total
Less than 1 year			158,061.00	
Between 1- 2 years	158,061.00			
Between 2-3 years				
Over 3 years	3,526,231.00		3,822,256.00	
<b>Total (should tie to note 13 a)</b>	<b>3,684,292.00</b>		<b>3,980,317.00</b>	

14 Accounts Payable

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	358,200.00	905,602.00
Prepaid Fees		595,774.00
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (specify)		
<b>Total</b>	<b>358,200.00</b>	<b>1,501,376.00</b>

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	Jan2020-june 2021		2019	
	Kshs		Kshs	
	2020/2021	% of the total	2019	% of the total
Less than 1 year	358,200.00		170,475.00	
Between 1- 2 years			735,127.00	
Between 2-3 years				
Over 3 years				
<b>Total (should tie to note 14)</b>	<b>358,200.00</b>		<b>905,602.00</b>	

15 Fund Balance Brought Forward

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Bank Balances	2,808,639.00	(33,435.00)
Cash Balances	147,386.00	791.00
Short Term Investments		-
Receivables	3,684,292.00	3,980,317.00
Payables	(358,200.00)	(1,501,376.00)
<b>Total</b>	<b>6,282,117.00</b>	<b>2,446,297.00</b>

**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.

**16 Non-current Liabilities Summary**

Description	Jan 2020-june 2021	2019
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
<b>Total</b>	-	-

**17 Biological assets**

Description	Numbers	Jan2020-june 2021	2019
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
<b>Total</b>		-	-

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at the end of the year</b>	-	-

**Other important disclosure notes**

**19 Stock/ Inventory**

<b>Description</b>	<b>Jan 2020-june2021</b>	<b>2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

**20 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

 29/7/2021



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/2021	Outstanding Balance 2020/2021	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.	-					
<b>Sub-Total</b>	-					
<b>Supply Of Goods</b>						
2. DPL FESTIVE	60,270.00			60,270.00		
3. NZOMO BUTCHERY	76,510.00			76,510.00		
4. WINDERWINGS ENTERPRISES	75,000.00			75,000.00		
5. KATEIS GROCERY	16,740.00			16,740.00		
6. EAST KENYA SUPPLIERS & SPARES LTD	108,680.00			108,680.00		
7. HIGH MARK SERVICES	21,000.00			21,000.00		
<b>Sub-Total</b>	<b>358,200.00</b>			<b>358,200.00</b>		
<b>Supply Of Services</b>						
8.	-					
<b>Sub-Total</b>	-					
<b>Grand Total</b>	<b>358,200.00</b>			<b>358,200.00</b>		

**Annex 2 – Summary of Fixed Assets Register**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> jan 2020</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2021</b>
Land	4,000,000.00			4,000,000.00
Buildings And Structures	32,000,000.00			32,000,000.00
Motor Vehicles	6,200,000.00			6,200,000.00
Office Equipment, Furniture And Fittings	2,500,000.00			2,500,000.00
Textbooks	3,500,000.00			3,500,000.00
ICT Equipment	418,000.00			418,000.00
Tools And Apparatus	900,000.00			900,000.00
Other Machinery And Equipment	150,000.00			150,000.00
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	660,000.00			660,000.00
<b>Total</b>	<b>50,328,000.00</b>			<b>50,328,000.00</b>