

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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**THE AUDITOR-GENERAL**

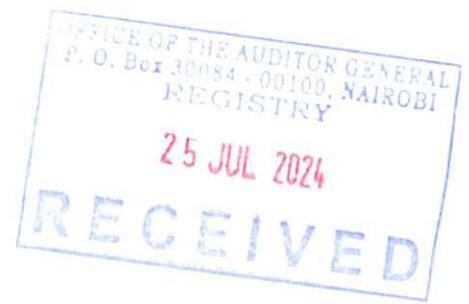
**ON:**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	05 MAR 2025
TABLED	Wednesday
CLERK-AT-THE-TABLE:	Hon. Naomi Ngunjiri, MP Deputy Majority Party Whip Ar. Shubuka

**KARIA BOYS  
SECONDARY SCHOOL**

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

**KIRINYAGA COUNTY**



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**KARIA BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR 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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**I. Key School Information and Management**

**(a) Background information**

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

The school was registered in September 2016 under registration number 2053000149 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a boarding school and had 370 number of students as at 30<sup>th</sup> June 2021. It has 3 streams and 26 teachers of which 4 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:

	Board Member	Designation	Date of appointment
1	David Njoka	Chairman	19/6/2019
2	Gideon Gikunda	Secretary- Principal	19/6/2019
3	Joyce Kinyua	Member	19/6/2019
4	John Kariuki	Member	19/6/2019
5	David Ndegwa	Member	19/6/2019
6	Rose Mutema	Member	19/6/2019
7	Lawrence Maina	Member	19/6/2019
8	Stephen Kinyua	Member – Rep CEB	19/6/2019
9	Alice Muchiri	Member Rep Teachers	19/6/2019
10	Timothy Njeru	3 Members - Sponsor	19/6/2019
11	Moses Gachawa	Member - Community	19/6/2019
12	Josephine Ruitii	Member Special Needs	19/6/2019
13	Brian Mbego	Rep Students	19/6/2019

**The function of the School Board of Management include:**

- Promote the best interests of the school and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the school
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the school.
- Determine cases of pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the school
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref	Name of Committee	Names of Members	Designation	Number of meetings during the year
1.	Executive Committee	David Njoka Lawrence Maina Joyce Kinyua Gideon Gikunda David Ndegwa	Bom Chairman Executive Member Executive Member Executive Member PTA Chairman	3 out of 3
2.	Audit Committee	Mr. Gikunda David Njoka John Kariuki David Ndegwa	Principal Bom Chairman Bom Member PTA Chairman	0 out of 3
3.	Finance, procurement and general purposes committee	Joyce Kinyua Josephine Rutii Mr David Njoka	Executive Member B.O.M Chair Bom Member	0 out of 3
4.	Academic Committee	Mr. Thiaka Timothy Rose Mutuma MR. Gedion Gikunda	Executive Member Bom Member Bom member	0 out of 3
5.	Development Committee	David Njoka Lawrence Maina Mr. Gikunda Stephen Kinyua David Ndegwa	Bom Chairman Executive Member Principal Vice Chair PTA Chairman	0 out of 3
6.	Discipline and Welfare Committee	Timothy Thiaka Moses Gachoka	Bom Member Bom Member	0 out of 3
7.	Adhoc Committee	David Ndegwa	PTA Chairman	0 out of 3

		David Njoka Joyce Kinyua Lawrence Maina	Bom Chairman Executive Member Bom Member	
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**(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	TSC Number
1	Principal	Gideon Gikunda	272930
2	Deputy Principal	Samuel Muturi	461761
3	Account clerk	Ann Kinyua	Id no. 23618505

**(e) Schools contacts**

Post Office Box: 4-10300, KERUGOYA  
Telephone: 0759-133565  
E-mail: Kariaboyschool@gmail.com

**(f) School Bankers**

The school operated 4 numbers of bank accounts as follows

1. Name of Bank: KCB BANK (School Fund Account)  
Branch: KERUGOYA  
Account Number: 1104015412  
MPESA Paybill No. 522123 attached to KCB bank account
2. Name of Bank: EQUITY BANK (RMI)  
Branch: KERUGOYA  
Account Number: 010029735735
3. Name of Bank: CO-OPERATIVE BANK (TUITION)  
Branch: KERUGOYA  
Account Number: 01139035225200
4. Name of Bank: CO-OPERATIVE BANK (OPERATIONS)  
Branch: KERUGOYA  
Account Number: 01139035225201

**(g) Independent Auditors**

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

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

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

a) **Financial performance:****Surplus/deficit for the year and a comparison of the same for the last three years.**

	2021	2020	2019	2018
Account	Kshs	Kshs	Kshs	Kshs
Tuition	(160,292.50)	165,888.00	(596,377.00)	360,230.00
operation	(47,563.65)	345,292.65	(333,035.25)	94,700.00
infrastructure	162,590.00	1,512,475.95	(304,889.51)	1,002,332.50
school fund	543,050.00	94,536.35	91,166.00	0.00
Total	497,783.85	2,118,192.95	(1,143,135.76)	1,457,262.50
Increase/decrease	(1,620,409)	3,261,329	(2,600,398)	

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

	2021	2020	2019	2018
	Kshs	Kshs	Kshs	Kshs
Tuition	535,829.50	618,920.00	1,097,993.00	1,758,260.00
Operation	3,440,511.35	4,228,925.00	5,075,486.75	4,209,173.80
Total	3,976,340.85	4,847,845.00	6,173,479.75	5,967,433.80
Enrolment	370	370	320	320
Ratio of capitation per student	1:10,746.87	1:13,102.28	1:19,292.12	1:18,648.23

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

	2021	2020	2019	2018
	Kshs	Kshs	Kshs	Kshs
Farm	192,163.00	436,666.00	400,485.00	104,716.00
increase/decrease	-244,503.00	36,181.00	295,769.00	

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

	2021	2020	2019	2018
	Kshs	Kshs	Kshs	Kshs
Tuition	580,480.00	453,032.00	1,694,370.00	1,398,030.00
Operation	3,477,103.00	3,789,096.00	5,408,522.00	4,114,473.00
Infrastructure	629,670.00	0.00	0.00	0.00
School fund	11,767,784.00	8,591,030.00	16,574,331.51	13,532,049.50
Farm	212,670.00	198,461.00	470,805.00	284,055.00
Total	16,667,707.00	13,031,619.00	24,148,028.51	19,328,607.50
increase/decrease	3,636,088.00	(11,116,409.51)	4,819,421.01	

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

	2021	2020	2019	2018
	Kshs	Kshs	Kshs	Kshs
Debtors	830,800.00	199,443.00	214,004.00	626,068.00
Creditors	223,242.00	107,600.00	263,110.00	807,924.00

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

	2021		2020		2019		2018	
	Bank	Cash	Bank	Cash	Bank	Cash	Bank	Cash
Tuition	10,952.50	0.00	55,603.00	0.00	13,183.00	0.00	370,450.00	0.00
Operation	205,812.38	0.00	240,656.03	0.00	(92,006.97)	0.00	225,028.28	0.00
School fund	85,028.99	90,462.00	245,010.99	31.00	512,890.99	137,100.00	1,397,762.50	26,865.00
Infrastructure	630,465.00	0.00	100,135.00	0.00	0.00	0.00	0.00	0.00
Savings	0.00	0.00	0.00	0.00	8,940.50	0.00	8,940.50	0.00
<b>Total</b>	<b>932,258.87</b>	<b>90,462.00</b>	<b>641,405.02</b>	<b>31.00</b>	<b>443,007.52</b>	<b>137,100.00</b>	<b>2,002,181.28</b>	<b>26,865.00</b>

**b) Teacher Student ratio:**

- Teacher to student ratio =  $\frac{\text{no. of students}}{\text{No. of teachers}} = \frac{420}{26} = \mathbf{1:16}$
- No. of teachers recruited within the year **2**
- No. of teacher posted to the school within the year **2**
- No. of teacher transferred to the school within the year **2**
- No. of teacher retired during the year **NIL**
- No. of teacher employed by TSC during the year **2**
- No. of teacher employed by BOM during the year **1**
- No. of teacher per subject

Subject	Eng	Kisw	Math	Bio	Chem	Phy	B/ST	Agr	Geo	Hist	CRE
No. of Tsc teachers	3	4	7	3	3	2	1	3	3	2	5
No. of Bom Teachers	1	1	-	-	-	-	1	-	-	2	1
Surplus	-	-	-	-	-	-	-	-	-	-	-
Shortage	1	1	-	-	1	1	1	-	-	2	2

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

Mean Scores -3 Yr. Trend

YEAR	Subjects											
	ENG	KIS	MAT	BIO	PHY	CHM	HIST	GEO	CRE	AGRI	BUS	AGGR
2019	4	4	4	4	3	4	5	3	4	6	4	4
2020	4	3	2	2	2	2	4	5	6	4	3	4
2021	4	4	3	3	2	2	5	6	4	7	3	11
Average	4	3	3	3	1	2	5	4	3	6	3	19

YEAR	KCSE Mean score	No. of students that have transitioned to institution of higher learning	comments
2019	4.5	10	A great improvement
2020	3.61	4	A drop
2021	3.8864	9	Great improvement

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

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

YEAR	2019	2020	2021
No. of Students	59	77	88

**e) Capacity of the school**

Facility	Available infrastructure	Quantity Required	Infrastructure Gap	Comment
Classrooms	13	13	0	Adequate
Laboratory	2	2	0	Enough
Toilet Doors	25	25	0	Adequate
Offices	1	1	0	Adequate
Dining Hall	1	1	0	Adequate
Library	1	2	1	urgent
Hostels	9	9	0	Adequate
Staffroom	1	1	0	Adequate
Boardroom	1	1	0	Adequate
Textbooks				Adequate
Water				Adequate
Electricity				Adequate
Staff Housing				Adequate

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

There was no development projects carried out in the year or on-going project

Projects Analysis		
	Name of project	
Estimated (BQ) Cost	-	
Source(s) of Funding	-	
Type of contract	-	
Contract Cost	-	
Start Date of project	-	
Expected Completion date	-	
Status (Stalled, WIP, complete)	-	
Amount due on project	-	
Amount paid	-	
Amount pending	-	
comment on project success/challenges	-	

A handwritten signature in black ink is written over a circular official stamp. The stamp contains the text "KARIA SECONDARY SCHOOL" around the top edge, "PRINCIPAL" in the center, and the date "22 JUL 2021" in the middle. There are small stars on either side of the date. The stamp is partially obscured by the signature.

**School Principal**

### III. Statement Of School Management Responsibility

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

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

The Board of Management of KARIA BOYS 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: DAVID NJOKA

Designation: Chairman, School Board of Management

Date:

.....  
Name: MUTHIRI N.W.

Designation: School Principal & Secretary to Board of Management

Date:



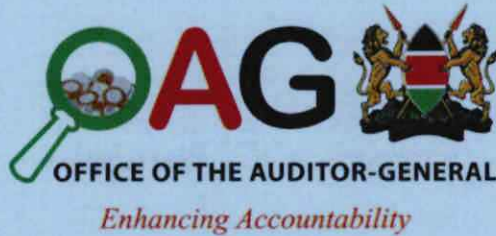
.....  
Name: ANNE KINYUA

Designation: Bursar/ Finance Officer

Date:

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KARIA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - KIRINYAGA COUNTY**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Karia Boys Secondary School - Kirinyaga County set out on pages 13 to 28, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for

the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 the Karia Boys Secondary School - Kirinyaga 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Unsupported Payments**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.11,980,454 as disclosed in Note 9 of the financial statements. The amount includes expenditure on damages amounting to Kshs.2,129,785 which is at variance with the cash book amount of Kshs.1,529,055 resulting to an unexplained variance of Kshs.600,730.

In the circumstances, the accuracy and completeness of the damages amount of Kshs.2,129,785 reflected in the financial statements could not be confirmed.

### **2. Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.7,603,653 in respect of fees arrears as disclosed in Note 12 to the financial statements. Included in the balance are receivables amounting to Kshs.7,064,469 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and recoverability of the accounts receivable balance of Kshs.7,603,653 as at 30 June, 2021 could not be confirmed.

### **3. Inaccuracies in the Financial Statements**

The statement of cash flows reflects cash and cash equivalent balance at the beginning of the current year and end of the prior year of Kshs.643,184. However, the balance differs with the corresponding cash and cash equivalent balance of Kshs.641,436 reflected in the statement of financial assets and financial liabilities.

Further, Note 14 to the financial statements on accumulated fund balance brought forward reflect a balance of Kshs.7,645,606 for current year and Kshs.5,527,413 for prior year.

However, recasting indicates that the correct total values of Kshs.8,165,090 and Kshs.10,709,474 respectively. The resulting variances have not been explained.

In the circumstances, the accuracy of the financial statements could not be confirmed.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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 procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements**

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- (i) The table of contents have errors and does not reflect the correct pages for the reports and financial statements.
- (ii) The statement of financial assets and financial liabilities reflect erroneous references to explanatory notes to the financial statements as follows:

<b>Description</b>	<b>Financial Statement Reference</b>	<b>Note Reference</b>
Bank Balances	8	10
Cash Balances	9	11
Account's Receivable	11	12
Accounts Payable	12	13
Accumulated Funds	13	14

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision-making

## **2. Late Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.3,440,511 as disclosed in Note 2 to the financial statements from received from the Ministry of Education and credited in the operations bank account. Included in the amount is Kshs.398,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.184,950 was transferred to infrastructure account, leaving a balance of Kshs.213,550 as at 30 June, 2021. Further, an amount of Kshs.184,950 was transferred on 27 October, 2020 or three (3) days of receipt. This was contrary to Paragraph 3.0 of the Ministry of Education Guidelines on Implementation of Free Day Secondary Education (FDSE) 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. Lack of a Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.17,047,243 and Kshs.16,667,707 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.

## **4. Failure to Prepare School Improvement Plan**

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

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

## **5. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 29 September, 2023 instead of the statutory deadline of

30 September, 2021. This was contrary to the Ministry of Education circular Ref.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 with 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.

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

## **REPORT ON THE 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of Internal Audit Function and Audit Committee**

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

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

The audit was conducted in accordance with the ISSAIs 2315 and 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 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 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 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 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 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 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 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 to 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

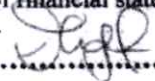
Nairobi

23 September, 2024

V. Statement Of Receipts and Payments Period To 30<sup>th</sup> June 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	535,829.50	618,920.00
Capitation grants for operations	2	3,440,511.35	4,228,925.00
Capitation grants for infrastructure	3	1,160,000.00	-
School Fund Income- Parents' Contributions	4	11,718,740.00	9,865,300.95
School Fund Income- Other receipts	5	192,163.00	436,666.00
<b>TOTAL RECEIPTS</b>		<b>17,047,243.85</b>	<b>15,149,811.95</b>
<b>PAYMENTS</b>			
Payments for Tuition	6	580,480.00	453,032.00
Payments for operations	7	3,477,103.00	3,789,096.00
Payments for infrastructure	8	629,670.00	-
Boarding and school fund payments	9	11,980,454.00	8,789,491.00
<b>TOTAL PAYMENTS</b>		<b>16,667,707.00</b>	<b>13,031,619.00</b>
<b>SURPLUS/DEFICIT</b>		<b>379,536.85</b>	<b>2,118,192.95</b>

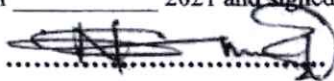
The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
 .....

Name:

Chair BOM

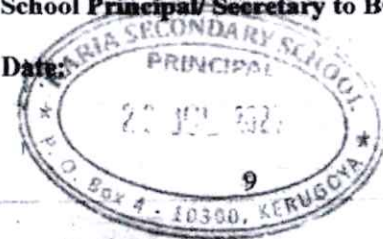
Date:

  
 .....

Name: MUCTIRI NWI

School Principal/ Secretary to BOM

Date:



  
 .....

Name: ANNE KINYUA

Bursar/ Finance Officer

Date:

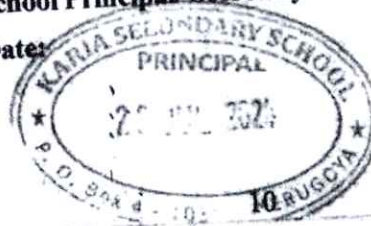
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>Cash and cash equivalents</b>			
Bank Balances	8	932,258.87	641,405.02
Cash Balances	9	90,462.00	31.00
<b>Total cash and cash equivalents</b>		<b>1,022,720.87</b>	<b>641,436.02</b>
Account's receivables	11	7,603,653.40	7,263,912.40
<b>Total financial assets</b>		<b>8,626,374.27</b>	<b>7,905,348.42</b>
<b>Financial Liabilities</b>			
Accounts Payable	12	482,984.00	259,742.00
<b>Net financial assets</b>		<b>8,143,390.27</b>	<b>7,645,606.42</b>
<b>Represented By</b>			
Accumulated Fund balance b/fwd	13	7,645,606.42	5,527,413.47
Surplus/Deficit for the year		379,536.85	2,118,192.95
		<b>8,025,143.27</b>	<b>7,645,606.42</b>

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

.....  
 Name:  
 Chair BOM  
 Date:

.....  
 Name: Muctari N.W.  
 School Principal/ Secretary to BOM  
 Date:



.....  
 Name: ANNE KIMUA  
 Bursar/ Finance Officer  
 Date:

**VII. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2021**

Description		2020-2021	2019-2020
	Note	Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	535,829.50	618,920.00
Capitation grants for operations	2	3,440,511.35	4,228,925.00
Capitation grants for Infrastructure	3	1,160,000.00	
School fund - Parents contributions	4	11,718,740.00	9,969,555.95
School fund income- other receipts	5	192,163.00	436,666.00
<b>Total receipts</b>		<b>17,047,243.85</b>	<b>15,254,066.95</b>
<b>Payments</b>			
Payments for Tuition	6	580,480.00	576,500.00
Payments for operations	7	3,477,103.00	3,896,262.00
Boarding and school fund payments	9	11,980,454.00	10,820,111.45
<b>Total payments</b>		<b>16,038,037.00</b>	<b>15,292,873.45</b>
<b>Net cash flow from operating activities</b>			
<b>Cashflow From Investing Activities</b>			
Acquisition of Assets		(629,670.00)	0.00
Proceeds from investments		0.00	0.00
<b>Net cash flows from Investing Activities</b>		<b>(629,670.00)</b>	<b>0.00</b>
<b>Net cashflow from financing activities</b>			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
<b>Net cash flows from Investing Activities</b>		<b>0.00</b>	<b>0.00</b>
<b>Net increase in cash and cash equivalent</b>	<b>d=a+b+c</b>	379,536.85	(38,806.50)
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>e</b>	643,184.02	681,990.52
<b>Cash and cash equivalent at END of the year</b>	<b>f=d+e</b>	1,022,720.87	643,184.02

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

				Actual on Comparable Basis		
			Final		Budget Utilization	
Receipt/expenses Item	Original Budget	Adjustment	Budget		Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Teaching and Learning materials	536,000	-	536,000	535,830	170	99.96%
Exercise books	-	-				
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Repair, Maintenance and Improvement	1,173,000	-	1,173,000	1,172,000	1,000	99.91%
Local Transport and Travelling	567,000	-	567,000	566,907	93	99.98%
Electricity, Water and Conservancy	567,000	-	567,000	566,907	93	99.98%
Personal Emoluments	568,000	-	568,000	567,781	219	99.96%
Adm Costs	567,000	-	567,000	566,916	84	99.98%
<b>(3) FEES CHARGED ON PARENTS</b>						
Boarding, Equipment and Stores						99.41%

**KARIA BOYS SECONDARY SCHOOL**

Report and financial statements for the year ended 30<sup>th</sup> June 2021

	4,600,000	-	4,600,000	4,573,102	26,898	
Personal Emoluments	379,000	-	379,000	378,788	212	99.94%
Activity	140,000	-	140,000	139,409	591	99.57%
Electricity, Water and Conservancy	384,000	-	384,000	383,942	58	99.98%
Repair, Maintenance and Improvements	315,000	-	315,000	314,601	399	99.87%
Local Transport and Travelling	356,000	-	356,000	355,104	896	99.74%
Administration Costs	492,000	-	492,000	491,352	648	99.86%
	<b>6,666,000</b>	-				
<b>School Fund -OTHER INCOME</b>						
Farm	193,000	-	193,000	192,163	837	99.56%
Damages	2,730,000	-	2,730,000	2,726,097	3,903	99.85%
Insurance		-		1,510,486		
Bursary		-		1,185,600	-	
Repair, Maintenance and Improvement	1,160,000	-	1,160,000	1,160,000	-	100%
<b>TOTAL INCOME</b>	<b>5,619,600</b>	-	<b>5,619,600</b>	<b>5,614,346</b>	<b>5,254</b>	
<b>(1) EXPENDITURE FOR TUITION</b>						
Teaching and Learning materials	536,000	-	536,000	545,642.00	106,000	80.22%
Laboratory	116,000	-	116,000	150,000	(34,000)	129.31%
	<b>652,000</b>		<b>652,000</b>			
<b>(2) EXPENDITURE FOR</b>						

KARIA BOYS SECONDARY SCHOOL  
Report and financial statements for the year ended 30<sup>th</sup> June 2021

<b>OPERATIONS</b>						
Repair, Maintenance and Improvement	1,173,000	-	1,173,000	1,160,000	13,000	98.89%
Local Transport and Travelling	567,000	-	567,000	420,880	146,120	74.22%
Electricity, Water and Conservancy	567,000	-	567,000	308,862	258,138	54.47%
Personal Emoluments	568,000	-	568,000	1,209,680	(641,680)	212.97%
Administration Costs	567,000	-	567,000	298,600	268,400	52.66%
Insurance	80,000	-	80,000	79,081	919	98.85%
	<b>3,522,000</b>	-	<b>3,522,000</b>			
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Boarding, Equipment and Stores	4,600,000	-	4,600,000	2,630,568	1,969,432	57.18%
Personal Emoluments	379,000	-	379,000	467,456	(88,456)	123.33%
Activity	140,000	-	140,000	83,600	56,400	57.71%
Electricity, Water and Conservancy	384,000	-	384,000	455,807	(71,807)	118.69%
Repair, Maintenance and Improvement	315,000	-	315,000	390,006	(75,006)	123.81%
Local Transport and Travelling	356,000	-	356,000	516,535	(160,535)	145.09%
Administration Costs	492,000	-	492,000	455,753	36,247	92.63%
Farm	193,000	-	193,000	212,670	19,670	110.19%
Gratuity	-	-	-	250,000	-	-
Damages	2,730,000	-	2,730,000	2,129,785	600,215	78.01%

KARIA BOYS SECONDARY SCHOOL  
Report and financial statements for the year ended 30<sup>th</sup> June 2021

Insurance			250,000		
Bursary			1,136,780		
<b>TOTAL School fund Payments</b>	<b>12,285,600</b>	-	<b>12,285,600</b>		

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

- i. The overutilization in pe vote head was caused by employment of Bom teachers, in laboratory it was as a result of Kcse chemicals.
- ii. The underutilisation was caused by lack of external activities due to covid.

**IX. Significant Accounting Policies**

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

**1. Statement of compliance and basis of preparation**

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

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

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

**2. Recognition of receipts and payments**

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

**3. In-kind contributions**

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

**4. Cash and cash equivalents**

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

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the

imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

**X. Notes To the Financial Statements**

**1 Capitation Grant for Tuition**

Description	2021	2020
	Kshs	Kshs
Teaching/learning materials	535,829.50	618,920.00
<b>Total</b>	<b>535,829.50</b>	<b>618,920.00</b>

**2 Capitation Grant for Operations**

Description	2020 -2021	2019- 2020
	Kshs	Kshs
Personnel emoluments	567,781.00	756,685.00
Repairs and maintenance	1,172,000.00	1,524,344.35
Local transport / travelling	566,907.00	576,667.00
Electricity and water	566,907.00	593,667.00
Medical	-	66,970.00
Administration cost	566,916.35	576,652.65
Activity	-	133,939.00
<b>Total</b>	<b>3,440,511.35</b>	<b>4,228,925.00</b>

**3 Capitation Grant for Infrastructure**

Description	2020-2021	2019-2020
	kshs	Kshs
Operation account	1,160,000.00	0.00
<b>Total</b>	<b>1,160,000.00</b>	<b>0.00</b>

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

Description	2020 - 2021	2019-2020
	kshs	kshs
Boarding equipment & stores	4,253,102.00	6,338,129.00
Personnel emoluments	297,988.00	1,458,056.00
Repairs and maintenance	204,601.00	335,030.95
Local transport / travelling	305,104.00	415,130.00
Electricity and water	313,942.00	812,642.00
Insurance	1,510,486.00	0.00
Administration costs	371,352.00	437,799.00
Activity	59,409.00	68,514.00
Damages	2,726,097.00	0.00
Bursary	1,185,600.00	0.00
Arrears	491,059.00	0.00
<b>Total</b>	<b>11,718,740.00</b>	<b>9,865,300.95</b>

**5 Other Receipts – School Fund Account**

Description	2020-2021	2019-2020
	Kshs	Kshs
Farm	192,163.00	436,666.00
<b>Total</b>	<b>192,163.00</b>	<b>436,666.00</b>

**6 Payments For Tuition**

Description	2020- 2021	2019-2020
	Kshs	Kshs
Laboratory equipments	150,000.00	-
Teaching/learning materials	430,000.00	452,792.00
Bank charges	480.00	240.00
<b>Total</b>	<b>580,480.00</b>	<b>453,032.00</b>

**7. Payments for Operations**

Description	2021	2020
	Kshs	Kshs
Personal Emoluments	1,209,680.00	1,521,857.00
Administration Cost	298,600.00	59,430.00
Repairs and maintenance & improvements	1,160,000.00	-
Local transport / travelling	420,880.00	200,050.00
Electricity and water	308,862.00	29,000.00
Medical	-	62,781.00
Activity Expenses	-	482,800.00
Infrastructure	-	1,429,808.00
Insurance Cost	79,081.00	-
Bank Charges	-	3,370.00
<b>TOTAL</b>	<b>3,477,103.00</b>	<b>3,789,096.00</b>

**8 Payments for Operation**

Description	2020-2021 kshs	2019-2020 Kshs
Operation	532,950.00	0.00
Local transport & travel	96,000.00	0.00
Bank charges	720.00	0.00
	-	0.00
<b>Total</b>	<b>629,670.00</b>	<b>0.00</b>

**9 Boarding and School Fund Payments**

Description	2021	2019-2020
	Kshs	Kshs
Lunch Programme	5,632,062.00	4,317,255.00
Bursary fund	1,136,780.00	-
Activity	83,600.00	308,780.00
Personnel emoluments	467,456.00	593,756.00
Service Gratuity	250,000.00	200,000.00
Repairs and maintenance & Improvements	390,006.00	841,440.00
Local transport / travelling	516,535.00	1,263,150.00
Electricity and water	455,807.00	389,309.00
Insurance/Medical Expenses	250,000.00	11,600.00
Administration costs	455,753.00	632,940.00
Fees refund	-	32,800.00
Farm	212,670.00	198,461.00
Damages	2,129,785.00	-
<b>TOTAL</b>	<b>11,980,454.00</b>	<b>8,789,491.00</b>

**10 .Bank Accounts**

Name of Bank, Account No. & currency	Bank Account Number	2021	2020
		Kshs	Kshs
Co-operative Bank kerugoya (Tuition) c/f	01139035225200	10,952.50	55,603.00
Co-operative Bank kerugoya (Operation) c/f	01139035225201	205,812.38	242,404.03
Kcb Bank -kerugoya (SF) c/f	1104015412	85,028.99	245,010.99
Equity Bank- kerugoya (Infra-Str) c/fwd	0100297535735	630,465.00	100,135.00
<b>Total Bank Balances</b>		<b>932,258.87</b>	<b>643,153.02</b>

**11 .Cash in Hand**

Description	2021	2020
	Kshs	Kshs
School Fund	90,462.00	31.00
<b>Total</b>	<b>90,462.00</b>	<b>31.00</b>

**12.Accounts Receivable**

Description	2021	2020
	Kshs	Kshs
Fees arrears		
Other non-fees receivables	7,603,653.40	7,263,912.40
Salary advances		-
Imprest	-	-
<b>Total</b>	<b>7,603,653.40</b>	<b>7,263,912.40</b>

Description	2021	2020
	Kshs	Kshs
Fees arrears for current year	830,800.00	199,443.00
Fees arrears for the previous year	199,443.00	214,004.00
Fees Arrears for prior periods	7,064,469.40	7,315,363.40
Recovered during the year	(491,059.00)	(464,898.00)
<b>Total</b>	<b>7,603,653.40</b>	<b>7,263,912.40</b>

## 13. Accounts Payable

Description	2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	446,484.00	223,242.00
Prepaid fees	36,500.00	36,500.00
<b>Total</b>	<b>482,984.00</b>	<b>259,742.00</b>

Description	2021	2020
Trade Creditors for the current year	223,242.00	107,600.00
Trade Creditors for the previous year	107,600.00	263,110.00
Trade Creditors for prior periods (over two years)	115,642.00	2,130,220.45
Less creditors paid during the year	-	(2,277,688.45)
<b>Total Trade Creditors</b>	<b>446,484.00</b>	<b>223,242.00</b>

## 14. Fund Balance Brought Forward

Description	2021	2020
	Kshs	Kshs
Bank balances	641,405.02	451,976.52
Cash balances	31.00	137,100.00
Short Term Investments	-	-
Receivables	7,263,912.40	7,529,367.40
Payables	259,742.00	2,591,030.45
<b>Total</b>	<b>7,645,606.42</b>	<b>5,527,413.47</b>

**15. Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Pigs -Big	6	15,000.00	90,000.00
Pigs- Medium	12	5,000.00	60,000.00
Pigs- small	10	3,500.00	35,000.00
Cows -big	4	40,000.00	160,000.00
Cows -Small	3	15,000.00	45,000.00
Trees- Mature	20	20,000.00	400,000.00
Trees- small	15	5,000.00	75,000.00
<b>Total</b>	<b>70</b>	<b>103,500.00</b>	<b>865,000.00</b>

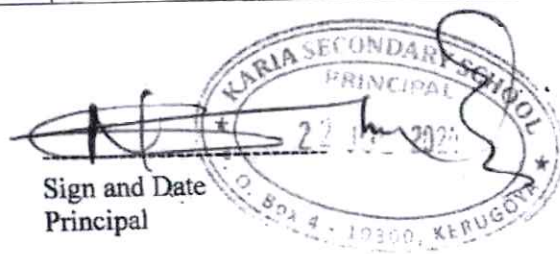
**16. Stock/ Inventory**

Description	2020-2021	2019-2020
	KShs	KShs
Stock/ inventory at beginning of the year	25,320.00	16,320.00
Stock/ inventory purchased during the year	12,500,600.00	11,230,450.00
Stock/ inventory issued during the year	(12,370,560.00)	(11,221,450.00)
<b>Balance at end of the year</b>	<b>155,360.00</b>	<b>25,320.00</b>

**XI. 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

KARIA BOYS SECONDARY SCHOOL

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**XII. Analysis of Pending Accounts Payable**

				<b>Outstanding Balance</b>	<b>Outstanding Balance</b>	<b>Comments</b>
<b>Supplier of Goods or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount paid To-Date</b>	<b>2020-2021</b>	<b>2019-2020</b>	
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Supply of goods</b>						
Aria Stores	107,600	2012	-	107,600	107,600	There were no documents back then
Kanaha Lab suppliers	115,642	2019		115,642	115,642	There were no documents
<b>Sub-Total</b>	<b>223,242</b>					
<b>Grand Total</b>	<b>223,242</b>			<b>223,242</b>	<b>223,242</b>	

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**XIII. –Summary of Fixed Assets Register**

	Historical Cost at 30 <sup>th</sup> June 2020	Additions during the year	Disposals during the year	Historical Cost at 30 <sup>th</sup> June 2021
Land	72,000,000.00	-	-	72,000,000.00
Buildings And Structures	79,050,000.00	-	-	79,050,000.00
Motor Vehicles	150,000.00	-	-	150,000.00
Office Equipment, Furniture and Fittings	1,322,000.00	-	-	1,322,000.00
Textbooks	7,057,400.00	-	-	7,057,400.00
ICT Equipment	200,000.00	-	-	200,000.00
Tools And Apparatus	5,384,291.00	-	-	5,384,291.00
Other Machinery and Equipment	5,623,000.00	-	-	5,623,000.00
Heritage And Cultural Assets	250,000.00	-	-	250,000.00
Intangible Assets- Soft Ware	432,680.00	-	-	432,680.00
<b>Total</b>	<b>171,469,371.00</b>	<b>-</b>	<b>-</b>	<b>171,469,371.00</b>