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Enhancing Accountability



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REPORT

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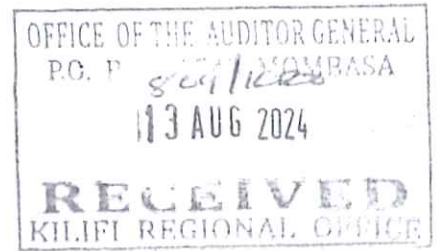
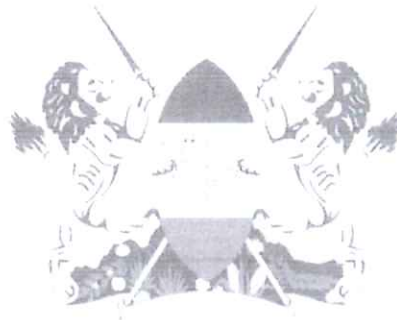
THE AUDITOR-GENERAL

ON

KAKUYUNI BOYS SECONDARY SCHOOL

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

KILIFI COUNTY



**KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Reports and Financial Statements
For the Period ended 30th June 2022

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KAKUYUNI BOYS SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

Annual Reports and Financial Statements

For the Period ended 30th June 2022

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KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Reports and Financial Statements
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I. Key School Information And Management

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

(a) Background information

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

The school was registered in 24th September 2010 under registration number PU/S/2/2525/10 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 586 number of students as at 30th June 2022. It has 3 streams and 29 teachers of which 12 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	NORMAN MCHORI MWAWANA	Chairman/Special needs rep	04-07-2019
2	ALPHONCE KAZUNGU KAINGU	Secretary- Principal	04-07-2019
3	EMILY KARISA	Member	04-07-2019
4	DHAHABU K. ABIO	Member	04-07-2019
5	JANET MUDZA KAINGU	Member	04-07-2019
6	SOPHIA K. JEFWA	Member	04-07-2019
7	SAMUEL JEFA YAA	Member	04-07-2019
8	EDWARD KINGI KOMBE	Member	04-07-2019
9	LEONARD MAMBO CHANGAWA	Member – Rep CEB	04-07-2019
10	JOAN AKINYI NYAMBURI	Member Rep Teachers	04-07-2019
11	SAMSON WAMUNGA	Sponsor	04-07-2019
12	RAPHAEL KITHI CHARO	Sponsor	04-07-2019
13	PATRICK CHIPIRA	Sponsor	04-07-2019
14	OMAR MOHAMED THOYA	Member-Community	04-07-2019

KAKUYUNI BOYS SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL****Annual Reports and Financial Statements****For the Period ended 30th June 2022****Key School Information and Management (Continued)****The function of the School Board of Management include:**

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

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	NORMAN MCHORI	B.O.M CHAIRPERSON	3/3
		ALPHONCE KAINGU	SECRETARY/PRINCIPAL	
		LEONARD MAMBO	MEMBER	
		SOPHIA JEFWA	MEMBER	
		JANE MUDZA KAINGU	MEMBER	
2	Audit Committee	PATRICK CHIPIRA	CHAIRPERSON	NIL
		OMAR MOHAMED THOYA	MEMBER	
		DHAHABU K. ABIO	MEMBER	
3	Finance, procurement and general purposes Committee	RAPHAEL KITHI	CHAIRPERSON	1/3
		SAMUEL JEFWA	MEMBER	
		EMILY KARISA	MEMBER	
		SOPHIA JEFWA	MEMBER	
4	Academic Committee	LEONARD MAMBO	CHAIRPERSON	3/3
		JANET KAINGU	MEMBER	
		EMILY KARISA	MEMBER	
		OMAR THOYA	MEMBER	

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5	Development Committee	SAMUEL JEFWA	CHAIRPERSON	
		ALPHONCE KAINGU	PRINCIPAL/MEMBER	
		SOPHIA JEFWA	P.A CHAIR/MEMBER	
		NORMAN MCHORI	B.O.M CHAIR/MEMBER	
		JANET KAINGU	MEMBER	
		ROBERT KITHI	DEPUTY/SECRETARY	
		SCDE MALINDI	MANDATORY MEMBER	
6	Discipline and welfare Committee	SAMSON WAMUNGA	CHAIRPERSON	3/3
		EDWARD KINGI	MEMBER	
		DHAHABU ABIO	MEMBER	
		JOAN AKINYI NYAMBURI	TEACHERS REP	
7	Adhoc Committee –Opening Tender	MR.KITHI ROBERT	CHAIRPERSON	4/4
		MDM.CLAIRE MULEMA	MEMBER	
		MR.KWICHA BAYA	MEMBER	
		MR.MAKANDA JOHN	MEMBER	
8	Adhoc Committee—Evaluation Committee	MR.MAIBU KATANA	CHAIRPERSON	4/4
		MDM.WINNIE DZAME	MEMBER	
		MR.MURAYA FRANCIS	MEMBER	
		MDM.JANET MWANAPILI	MEMBER	

(d) School operation Management

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

Ref:	Designation	Name	TSC Number/I D NO.
1	Principal	ALPHONCE KAZUNGU KAINGU	374142
2	Deputy Principal	ROBERT JOHNSON KITHI	421579
3	School Bursar	MERCY WANGECHI WANGURA	21838340

(e) Schools contacts

Post Office Box: 5400-80200 MALINDI
 Telephone: N/A
 E-mail: kakuyuniboyssecondary@gmail.com
 Website: N/A
 Facebook: N/A
 Twitter: N/A

**KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

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(f) School Bankers

The following school operated 7 number of bank accounts in the following banks:

1. Name of Bank: K C B
Branch: MALINDI
Account Name: TUITION ACCOUNT
Account Number: 1107986133

2. Name of Bank: K C B
Branch: MALINDI
Account Name: OPERATION ACCOUNT
Account Number: 1104196212

3. Name of Bank: K C B
Branch: MALINDI
Account Name: MAIN/PARENT FUNDED ACCOUNT
Account Number: 1104211912

4. Name of Bank: K C B
Branch: MALINDI
Account Name: P EMOLUMENT ACCOUNT
Account Number: 1168207150

5. Name of Bank: K C B
Branch: MALINDI
Account Name: BUS FUND ACCOUNT
Account Number: 11253177066

6. Name of Bank: K C B
Branch: MALINDI
Account Name: INFRASTRUCTURE ACCOUNT
Account Number: 1253176663

7. Name of Bank: COOPERATIVE BANK
Branch: MALINDI
Account Number: 01192264662200

(g) Independent Auditors

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

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II. Summary Report Of Performance Of The School

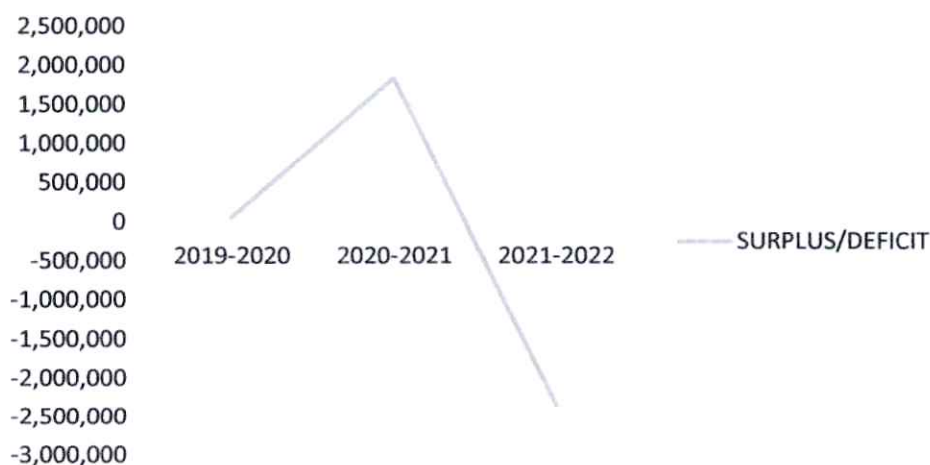
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

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

	<i>SURPLUS/DEFICIT</i>
<i>2019-2020</i>	<i>59,661</i>
<i>2020-2021</i>	<i>1,836,239</i>
<i>2021-2022</i>	<i>-2,344,148</i>

SURPLUS/DEFICIT



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

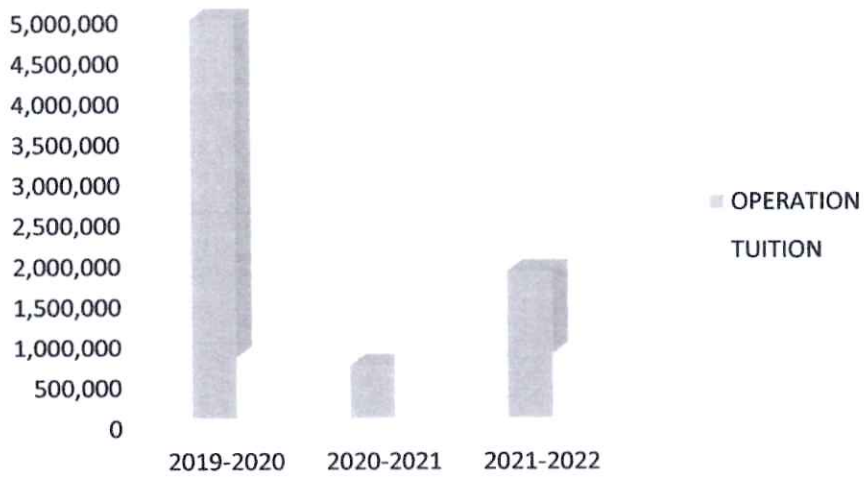
	<i>OPERATION</i>	<i>TUITION</i>
<i>2019-2020</i>	<i>4,923,150</i>	<i>753,293</i>
<i>2020-2021</i>	<i>657,994</i>	<i>4,409,026</i>
<i>2021-2022</i>	<i>1,817,078</i>	<i>792,043</i>

KAKUYUNI BOYS SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

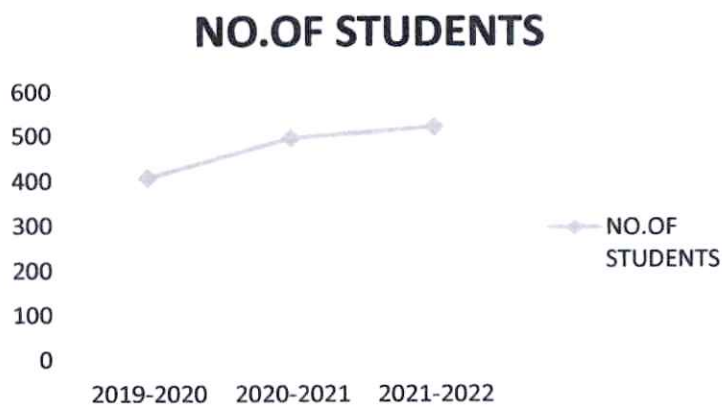
Annual Reports and Financial Statements

For the Period ended 30th June 2022



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

	<i>NO.OF STUDENTS</i>
<i>2019-2020</i>	<i>407</i>
<i>2020-2021</i>	<i>495</i>
<i>2021-2022</i>	<i>520</i>



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

The school has a school bus

	<i>AMOUNT</i>
<i>2019-2020</i>	<i>247,000</i>
<i>2020-2021</i>	<i>392,000</i>
<i>2021-2022</i>	<i>148,000</i>

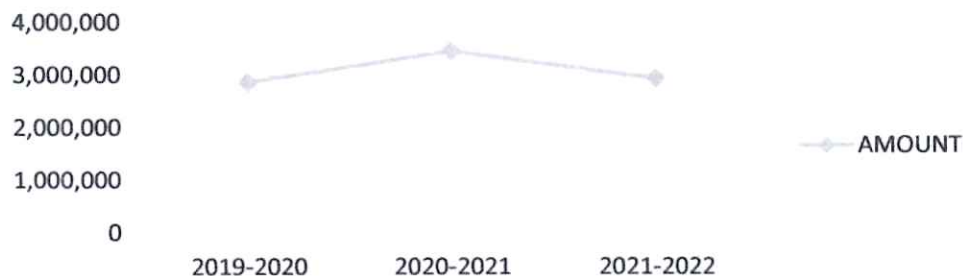


- *A three-year overview of growth in expenditure of the school*

	<i>AMOUNT</i>
<i>2019-2020</i>	<i>2,855,221</i>
<i>2020-2021</i>	<i>3,442,138</i>
<i>2021-2022</i>	<i>2,917,746</i>

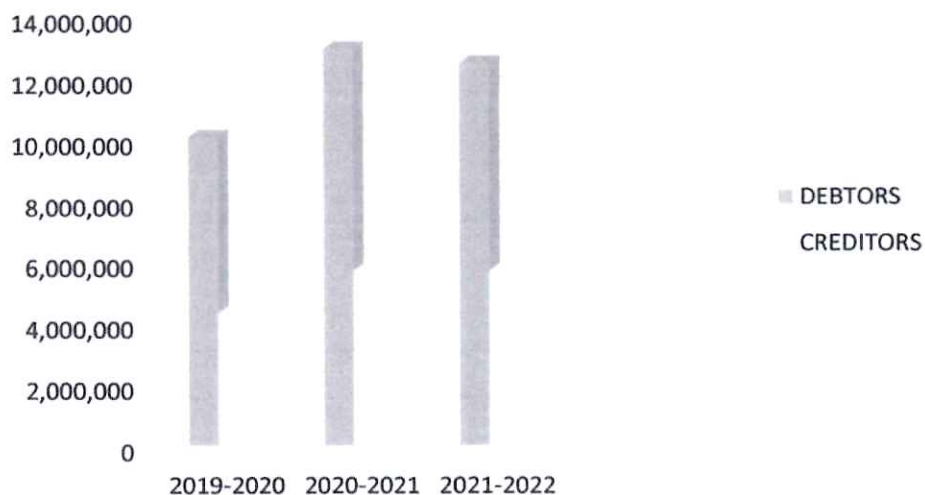
KAKUYUNI BOYS SECONDARY SCHOOL
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AMOUNT



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

	<i>DEBTORS</i>	<i>CREDITORS</i>
<i>2019-2020</i>	<i>10,097,566</i>	<i>4,322,534</i>
<i>2020-2021</i>	<i>12,963,740</i>	<i>5,689,303</i>
<i>2021-2022</i>	<i>12,499,200</i>	<i>5,696,246.50</i>



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B) Teacher Student ratio:

- * The teacher to student ratio 1:31
- * Number of teachers recruited and posted to the school within the year 1
- * Number of teachers that were transferred/ retired during the period 0
- * Number of teachers employed by TSC 17
- * Number employed by BOM 12

Teachers distribution per subject

- * ENGLISH 5
- * KISWAHILI 6
- * MATHEMATICS 5
- * PHYSICS 2
- * BIOLOGY 7
- * CHEMISTRY 3
- * GEOGRAPHY 3
- * HISTORY 4
- * C R E 2
- * I R E 1
- * AGRICULTURE 3
- * BUSINESS 2

C) Mean score in the 2019,2020 AND 2021 KCSE:

Give performance of the school for each over the last three years.

YEAR	ENT	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	M/S	M G
2021	123	0	0	0	0	1	1	1	11	17	39	42	11	2.894	D
2020	109	0	0	0	0	0	3	8	18	17	35	26	2	3.51412	D+
2019	99	0	0	0	0	1	4	8	4	8	24	44	6	3.0505	D

* The number of students that have since transitioned to institutions of higher learning....10

* Comment on improvement or otherwise as compared to the school's set score...2020 KCSE showed worked improvement.It was the highest score ever attained since the inception of the school.However it is below the target of C envisaged.

D) Number of Candidates in the 2021,2020 and 2019 KCSE:

YEAR	NO.OF STUDENTS
2021	121
2020	109
2019	99

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E) Capacity of the school:

**The number of students in the school vis a vie the the dormitories...2 dormitories and 324 boarding students.The 2 dormitories can accommodate a maximum of 250 students.The rest 74 have been accommodated in the dining hall temporarily.*

**The number of students in the school vis a vis the dining hall...1 dining hall and 586 students.The dining hall has a sitting capacity of 400 students.That means it's not enough.Futher it has been turned in to a temporary dormitory so currently there is no dining space.*

**The number of students in the school vis a vis the laboratories---2 laboratories and 586 students.We require 2 more laboratories to accomodate our population of 586 students.*

**The number of students in the school vis a vis the toilets---16 toilets*

The number of toilets are not enough we need 10 more rooms.

**The number of students in the school vis a vis the library---1 library and 586 students.The school does not have a library.What we have is a classroom turned into reading area.We need to put up a library.*

F) Development projects carried out by the school:

<u>PROJECT</u>	<u>SOURCE</u>	<u>STATUS</u>
3 Classrooms	MOEST	Complete

SIGN.....

School Principal

PRINCIPAL
KAKUYUNI BOYS' SEC. SCHOOL
P. O. Box 5400-80200, MALINDI

Date..... Sign.....

KAKUYUNI BOYS SECONDARY SCHOOL

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

Name: NORMAN MCHORI MWAWANA

Designation: Chairman, School Board of Management

Date: 18/8/2024 - det

Name: ALPHONCE KAINGU KAZUNGU

Designation: School Principal & Secretary to Board of Management

Date: 12/8/24 - [Signature]

KAKUYUNI B.S.
P.O. Box 5400 Kakuyuni
Date: Sign:

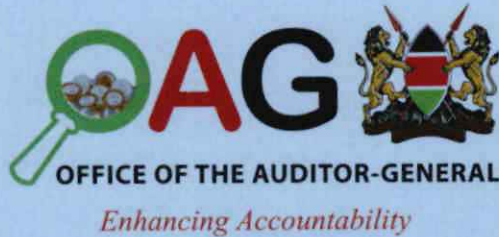
Name: MERCY WANGECHI WANGURA

Designation: Bursar/ Finance Officer

Date: 12/08/2024 - Wangura

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAKUYUNI BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – KILIFI COUNTY

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall 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 Kakuyuni Boys Secondary School – Kilifi County set out on pages 1 to 20 which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, 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 Kakuyuni Boys Secondary School – Kilifi County as at 30 June, 2022, 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

1. Accounts Receivables

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.16,132,851 as disclosed in Note 9 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

2.1 Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.16,132,851 in respect of fees arrears as disclosed in Note 9 to the financial statements. Included in the balance are receivables amounting to Kshs.8,911,449 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees balance casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy of the account's receivables balance of Kshs.16,132,851 could not be confirmed.

3. Inaccuracies in the Financial Statements

The statement of budgeted versus actual amounts reflects receipts final budget and actual on comparable basis of Kshs.31,528,068 and Kshs.27,666,969 respectively. However, recasting the amounts under each item yielded final budget and actual amounts totalling to Kshs.29,594,268 and Kshs.27,417,175 respectively.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.29,594,268 and Kshs.27,417,175 respectively, resulting to an under-funding of Kshs.2,177,093 or 7% of the budget. However, the School spent a balance of Kshs. Kshs.22,940,000 against actual receipts of Kshs.27,417,175 resulting to an under-utilization of Kshs.4,477,175 or 16% of actual receipts.

The under-funding and under-utilization 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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.20,006,198 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.434,100 transferred to Kenya Secondary School 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 transferred to KESSHA amounting to Kshs.434,100 could not be confirmed.

2. Late submission of financial statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 23 May, 2024 instead of the statutory deadline of 30 September, 2022. 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, 2022 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.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.7,927,043 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.1,371,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, Kshs.1,094,600 was transferred to infrastructure account, leaving a balance of Kshs.276,900 as at 30 June, 2022. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/10/18(112) 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.

4. Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.33,968,371 and Kshs.32,285,393 in respect of total receipts and total 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 requires 'a procuring entity to 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. Long Outstanding Payables

The statement of financial assets and financial liabilities reflects accounts payables amounting to Kshs.4,719,224 as disclosed in Note 10 to the financial statements relating to trade creditors. However, included in the balance are trade payables balance of Kshs.1,801,478 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

6. 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) in that some notes to the financial statements were blank and some not aligned to the financial statements.

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

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 and 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 governance were not effective.

Basis for Conclusion

1. 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 requires 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.

2. Inaccuracies in the Summary of Fixed Assets

Annex 2 to the financial statements reflects summary of fixed assets which includes land with unknown value. Review of the ownership documents established that management was in possession of a title deed that reflected the land on which the school is built to be approximately 106 hectares. However, the management explained that even though 30 hectares had been carved out of the 106 hectares to build a girls' school, the process of having the title deed amended to reflect the true position of 76 hectares had not been completed.

In the circumstance, the accuracy and completeness of the fixed asset could not be confirmed.

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

Responsibility of Management and those Charged with Governance

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how the entity 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 sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 September, 2024

KAKUYUNI BOYS SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL****Annual Reports and Financial Statements****For the Period ended 30th June 2022****Statement Of Receipts And Payments Period To 30th June 2022**

Description Of Vote Head	Note	2021-2022	1 st JAN-30 th JUNE
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	1,817,078.00	657,994.00
Capitation grants for operations	2	7,927,043.00	4,409,026.00
School fund income- parents' contributions	3	19,973,153.00	9,041,128.65
School fund income- other receipts	4	314,795.00	463,200.00
Transfer to Infrastructure Account		3,936,302.00	
Total Receipts		33,968,371.00	14,571,348.65
Payments			
Payments for tuition	5	1,717,454.00	822,573.00
Payments for operations	6	10,561,741.00	5,321,743.00
Boarding and school fund payments	7	20,006,197.70	7,995,921.00
Total Payments		32,285,392.70	14,140,237.00
Surplus/Deficit		1,682,978.80	431,111.65

The school financial statements were approved on 24th August 2023 and signed by:

SIGN.....*[Signature]*.....

NAME... NORMAN MWAWANA MCHORI

B.O.M CHAIRPERSON

DATE... 12/8/2024.....

SIGN.....*[Signature]*.....

NAME... ALPHONCE KAZUNGU KAINGU

SCHOOL PRINCIPAL/B.O.M SECRETARY

DATE... 12/8/2024.....

PRINCIPAL
KAKUYUNI BOYS' SEC. SCHOOL
P.O. Box 5400-80200, MALINDI
Date:.....Sign:.....

SIGN.....*[Signature]*.....

NAME... MERCY WANGECHI WANGURA

SCHOOL BURSAR

DATE... 12/08/2024.....

KAKUYUNI BOYS SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL**

Annual Reports and Financial Statements

For the Period ended 30th June 2022

STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

Description	Note	2021-2022	1 st JAN-30 th JUNE
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	1,618,709.45	3,466,618.15
Total cash and cash equivalent		1,618,709.45	3,466,618.15
Account's receivables	10	16,132,851.00	12,963,740.00
Total financial assets		17,751,560.45	16,430,358.15
Financial liabilities			
Accounts payables	11	(4,719,223.50)	(5,081,000.00)
Net financial assets		13,032,336.95	11,349,358.15
Represented by			
Accumulated fund b/fwd	12	11,349,358.15	10,918,247.15
Surplus/deficit for the year		1,682,978.80	431,111.00
Net financial position		13,032,336.95	11,349,358.15

The school's financial statements were approved on 24th August 2023 and signed by:SIGN.....*Norman Mchori*.....NAME...NORMAN MWAWANA MCHORI

B.O.M CHAIRPERSON

DATE...12/8/2024.....SIGN.....*Alphonse Kazungu Kaingu*.....NAME...ALPHONCE KAZUNGU KAINGU
SCHOOL PRINCIPAL/B.O.M SECRETARYDATE...12/8/24.....SIGN.....*Mercy Wangechi Wangura*.....NAME...MERCY WANGECHI WANGURA

SCHOOL BURSAR

DATE...12/08/2024.....

**KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

**Annual Reports and Financial Statements
For the Period ended 30th June 2022**

Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	1 st JAN-30 th JUNE
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,817,078.00	657,994.00
Capitation grants for operations	2	7,927,043.00	4,409,026.00
School fund income- parents contributions/ fees	3	19,973,153.00	9,041,128.65
Other Receipts-School Fund Account	4	314,795.00	496,200.00
Transfer to Infrastructure Account	2	3,936,302.00	0
Total		33,968,371.00	14,571,348.65
Payments			
Payments for tuition	5	1,717,454.00	822,573.00
Payments for operations	6	10,561,741.00	3,048,623.00
Boarding and school fund payments	7	20,006,197.70	7,995,921.00
Total payments		32,285,392.70	11,867,117.00
Net cash flow from operating activities		1,682,978.80	2,704,231.65
Cashflow from investing activities			
Acquisition of assets	6	(3,530,887.00)	(2,273,120.00)
Net cash flows from investing activities		(3,530,887.00)	(2,273,120.00)
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash flow from financing activities		0	0
Net increase in cash and cash equivalents		(1,847,908.70)	431,111.65
Cash and cash equivalent at beginning of the year	8	3,466,618.15	3,035,506.5
Cash and cash equivalent at end of the year	8	1,618,709.45	3,466,618.15

The school financial statements were approved on 24th August 2023 and signed by

SIGN.....*[Signature]*.....

NAME...NORMAN MWAWANA MCHORI

B.O.M CHAIRPERSON

DATE.....12/8/2024.....

SIGN.....*[Signature]*.....
NAME...ALPHONCE KAZUNGU KAINGU
SCHOOL PRINCIPAL/B O M SECRETARY

PRINCIPAL
KAKUYUNI BOYS SEC. SCHOOL
P. O. Box 5400-80200, MALINDI

DATE.....12/8/24.....

Date:.....Sign:.....

KAKUYUNI BOYS SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

Annual Reports and Financial Statements

For the Period ended 30th June 2022

SIGN.....Mercy Wangura.....

NAME...MERCY WANGECHI WANGURA

SCHOOL BURSAR

DATE.....12.08.2024.....

KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Reports and Financial Statements
For the Period ended 30th June 2022

IV. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Exercise Books	607,096		607,096	453,045	154,051	74.6%
Laboratory Equipment	558,528		558,528	416,800	141,728	74.6%
Internal Exams	631,380		631,380	476,066	155,314	75.4%
Teaching / Learning Materials	388,541		388,541	289,948	98,593	74.6%
Chalks	48,568		48,568	36,244	12,324	74.6%
Reference/Library	194,271		194,271	144,975	49,296	74.6%
(2) Capitation Grant on Operations						
Personnel Emoluments	1,652,520		1,652,520	1,478,755	173,765	89.0%
Repairs And Maintenance	2,930,000		2,930,000	2,944,500	(14,500)	100.5%
Local Transport / Travelling	1,377,100		1,377,100	1,211,567	165,533	88.0%
Electricity And Water	1,377,100		1,377,100	1,211,567	165,533	88.0%
Medical	117,200		117,200	111,400	5,800	95.6%
Administration Costs	1,101,680		1,101,680	969,255	132,425	88.0%

KARUTUM BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Reports and Financial Statements
For the Period ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<i>(3) Fees Charged on Parents</i>						
Personnel Emoluments	2,161,000		2,161,000	1,961,742	199,258	90.8%
Repairs And Maintenance	648,000		648,000	623,704	24,296	96.3%
Local Transport / Travelling	615,000		615,000	605,933	9,067	98.5%
Electricity And Water	1,297,284		1,297,284	1,197,284	100,000	92.3%
Administration Costs	761,400		761,400	712,130	49,270	93.5%
Activity	162,000		162,000	141,076	20,924	87.1%
Fee On Boarding Equipment and Stores	12,965,600		12,965,600	12,431,183	534,417	95.9%
Total Income	31,528,068		31,528,068	27,666,969	3,861,100	87.8%
<i>(1) Expenditure For Tuition</i>						
Exercise Books	607,096		607,096	289,800	317,296	47.5%
Laboratory Equipment	558,528		558,528	480,175	78,353	86.0%
Internal Exams	631,380		631,380	378,390	252,990	60.0%
Teaching / Learning Materials	388,541		388,541	97,138	291,403	25.0%
Chalks	48,568		48,568	10,800	37,768	22.2%
Reference/Library	194,271		194,271	37,500	156,771	19.3%
<i>(2) Expenditure For Operations</i>						
Personnel Emoluments	1,652,520		1,652,520	2,697,866	(1,045,346)	163.26%

KARUMBOI BOIS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Reports and Financial Statements
For the Period ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs, Maintenance & Improvements	2,930,000		2,930,000	2,610,600	319,400	89.0%
Local Transport / Travelling	1,377,100		1,377,100	412,900	964,200	30.0%
Electricity, Water and Conservancy	1,377,100		1,377,100	829,790	547,310	60.0%
Administration Costs	1,101,680		1,101,680	1,256,336	(154,656)	114.0%
Activity Expenses	879,000		879,000	137,350	741,650	15.63%
(3) Expenditure For School Fund						
Personnel Emoluments	2,161,000		2,161,000	2,007,394	153,606	93.0%
Repairs, Maintenance and Improvements	648,000		648,000	1,139,351	(491,351)	185.26%
Local Transport / Travelling	615,000		615,000	1,137,039	(522,039)	184.0%
Electricity, Water and Conservancy	1,297,284		1,297,284	768,207	529,077	59.0%
Administration Costs	761,400		761,400	1,197,206	(435,806)	157.0%
Activity	162,000		162,000	232,010	(70,010)	143.0%
Boarding Equipment and Stores	12,965,600		12,965,600	7,220,148	5,745,452	55.7%
Totals	30,356,068		30,356,068	23,048,540	7,307,528	75.9%

**KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

**Annual Reports and Financial Statements
For the Period ended 30th June 2022**

V. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

KAKUYUNI BOYS SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL****Annual Reports and Financial Statements****For the Period ended 30th June 2022**

Notes To The Financial Statements

1. Capitation Grant for Tuition

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
Exercise Books	453,045.00	192,113.00
Laboratory Equipment	416,800.00	41,653.00
Internal Exams	476,066.00	100,000.00
Teaching / Learning Materials	289,948.00	306,036.00
Chalks	36,244.00	3,703.00
Reference/Library	144,975.00	14,486.00
Total	1,817,078.00	657,991.00

2. Capitation Grant for Operations

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
Personnel Emoluments	1,478,754.90	1,193,696.00
Repairs And Maintenance	2,944,500.00	1,955,000.00
Local Transport / Travelling	1,211,567.00	450,118.00
Electricity And Water	1,211,567.00	450,118.00
Medical	111,400.00	0
Administration Costs	969,254.60	360,094.00
Total	7,927,043.50	4,409,026.00

3. Parents Contribution/Fees - School Fund Account

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
Personnel emoluments	2,293,996.00	1,011,861.00
Repairs and maintenance	802,686.00	298,380.00
Local transport / travelling	746,184.00	405,489.00
Boarding, Equipment & Stores/Lunch Programme	13,534,827.00	5,410,289.00
Electricity and water	1,463,007.00	496,842.00
B O M Teachers salaries	0	1,016,786.00
Administration costs	940,408.00	372,246.00
Activity	192,045.00	29,235.00
Total	19,973,153.00	9,041,128.00

KAKUYUNI BOYS SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL**

Annual Reports and Financial Statements

For the Period ended 30th June 2022**Notes To The Financial Statements (Continued)****4. Other Receipts – School Fund Account**

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
School Bus Hire	213,000.00	452,000.00
Miscellaneous Income	101,795.00	11,200.00
Total	314,795.00	463,200.00

5. Payments For Tuition

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
Exercise Books	414,800.00	367,200.00
Laboratory Equipment	580,642.00	268,552.00
Internal Exams	486,390.00	140,000.00
Teaching / Learning Materials	147,138.00	23,500.00
Reference Books	76,340.00	20,000.00
Bank Charges	1,344.00	3,321.00
Chalks/Dusters	10,800.00	0
Total	1,717,454.00	822,573.00

6. Payments For Operations

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
Personnel Emoluments	4,166,748.00	1,837,828.00
Administration Cost	1,296,436.00	591,144.00
Repairs And Maintenance & Improvements	187,660.00	49,850.00
Local Transport / Travelling	412,900.00	133,150.00
Electricity And Water	829,760.00	398,951.00
Activity Expenses	137,350.00	37,700.00
Acquisition Of Assets	3,530,887.00	2,273,120.00
Total	10,561,741.00	5,321,743.00

**KAKUYUNI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

**Annual Reports and Financial Statements
For the Period ended 30th June 2022**

Notes To The Financial Statements (Continued)

7. Boarding And School Fund Payments

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
Personnel Emoluments	3,198,483.00	496,127.00
Repairs And Maintenance & Improvements	681,951.00	216,676.00
Local Transport / Travelling	1,137,039.00	628,980.00
Electricity And Water	768,207.00	239,899.00
Bus Hire	554,627.70	265,099.00
Administration Costs	1,337,206.00	515,485.00
B O M Teachers Salaries	3,326,000.00	807,885.00
Refund		16,895.00
Medical Expenses	108,540.00	21,950.00
Boarding, Equipment & Store/Lunch Programme	8,634,223.00	7,995,921.00
Activity	259,921.00	0
Total	20,006,197.70	7,995,921.00

8. Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	1st JAN-30th JUNE
		Kshs	Kshs
Tuition Account	1107986133	7,409.55	11,991.35
Operations Account	1104196212	7,408.75	695,122.65
School Fund Account/Boarding	1104211912	485,176.00	703,556.00
Savings Account(P EMOL)	1168207150	27,900.15	27,900.15
Bus Fund Account	1253177066	91,133.00	66,379.00
Infrastructural Account	1253176663	999,682.00	1,961,669.00
Total		1,618,709.45	3,466,618.15

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For the Period ended 30th June 2022**Notes To The Financial Statements (Continued)****9. Accounts Receivable**

Description	2021-2022	1 st JAN-30 th JUNE
	Kshs	Kshs
Fees Arrears	16,132,851.00	12,963,740.00
Total	16,132,851.00	12,963,740.00

(Include an ageing of the debtor's arrears below)

Description	2021-2022	1 st JAN-30 th JUNE
	Kshs	Kshs
Fees Arrears For Current Year	3,668,821.00	4,174,114.00
Fees Arrears For The Previous Year	3,552,581.00	1,287,513.00
Fees Arrears For Prior Periods (Over Two Years)	8,911,449.00	7,502,113.00
Total	16,132,851.00	12,963,740.00

10. Accounts Payable

Description	2021-2022	1 st JAN-30 th JUNE
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	4,719,223.50	5,081,000
Prepaid Fees	977,023.00	608,303.00
Retention Monies		
Total	5,696,246.50	5,689,303.00

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

Description	2021-2022	1 st JAN-30 th JUNE
	Kshs	Kshs
Trade Creditors for Current Year	2,917,746.00	3,442,138.00
Trade Creditors for The Previous Year	0	1,558,182.00
Trade Creditors for Prior Periods (Over Two Years)	1,801,477.50	80,680.00
Total	4,719,223.50	5,081,000.00

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11. Fund Balance Brought Forward

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
Bank Balances	3,466,618.15	3,035,506.50
Receivables	12,963,740.00	11,304,056.55
Payables	(5,081,000.00)	(3,421,317.00)
Total	11,349,358.15	10,918,246.05

Other important disclosure notes

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

Other important disclosure notes

12. Stock/ Inventory

Description	2021-2022	1st JAN-30th JUNE
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	447,463.00	122,564.00
Stock/ inventory purchased during the year	8,634,223.00	2,599,030.00
Stock/ inventory issued during the year	(8,576,645.00)	(2,274,131.00)
Balance at end of the year	505,041.00	447,463.00

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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)
CREDITORS	The amount of sundry creditors was shs 4,616,205. The auditor advised the management to settle the debts to avoid possible legal action against the school	The Board resolved to ensure that trade creditors are cleared promptly	As of the time of the meeting over 80% of the creditors in question had been paid	The Board agreed to settle the debt before close of the current financial year
DEBTORS	The amount of sundry debtors was shs 9,686,230. The auditor advised the management to urgently formulate effective policies to address the issue of fees collection and debt recovery	Despite the challenges posted by the Corona Epidemic period, the Board resolved that fees will be collected so that the school does not run into hurdles in terms of meeting its financial obligations due to non payment of fees	As of the time of the meeting over 20% of the fees arrears had been recovered	The Board agreed they will ensure all Form 4 students pay all school fees before sitting for the main exam
INCOME AND EXPENDITURE STATUS	Tuition and Operation Account had a deficit and Boarding Account had a surplus. The auditor advised the management to strictly adhere to the MOEST policy guidelines and full B.O.M approved budget to ensure optimum utilization of funds in the provision of services	It was noted the over expenditure was accompanied by the sky-rocketing supply prices yet the fees had not increased. Further, the Pandemic had affected most parents ability to meet their financial obligations	The Board of management affirmed its commitment to ensuring all MOEST Financial expenditure guidelines are fully adhered to	Action plan is to be effected immediately

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Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Sub-Total						
Supply Of Goods						
1. BILL SOLAR ENGINEERING	637,000	SEPTEMBER-2020	272,000	365,000	365,000	SUPPLY OF ENERGY SAVING JIKO
2. EPHAH MERCHANTS	293,160	1 ST JULY 2021	NIL	293,160	293,160	SUPPLY OF HARDWARE MATERIALS
3. IRENE MBETSA CHANGAWA	18,825	JUNE 2022	NIL	18,825	18,825	SUPPLY OF MILK
4. SAID SULEIMAN	712,200	1 ST JULY 2021	NIL	712,200	712,200	SUPPLY OF FOODSTUFF
5. ONE TOUCH OFFICE	40,100	FEBRUARY 2021	NIL	40,100	40,100	SUPPLY OF TONNERS
6. MULWA CERIAALS &N GEN STORE	2,861,131	1 ST JANUARY 2021	888,127	1,973,004	1,973,004	SUPPLY OF FOODSTUFF
7. ENTRY BUTCHERY	880,860	1 ST JULY 2021	197,810	683,050	683,050	SUPPLY OF BEEF AND GROCERIES
8. EVERREST SUPPLIES	160,500	1 ST JULY 2021	60,500	100,000	100,000	SUPPLY OF GRID BOARDS
9. BARANI BOOKS & STATIONERY STORE	929,500	1 ST JANUARY 2021	307,660	621,840	621,840	SUPPLY OF OFFICE STATIONERY
10. SEA ALFA ENTERPRISES	100,467	1 ST JULY 2021	NIL	100,467	100,467	SUPPLY OF LAB EQUIPMENT
11. MALINDI BOOKS & STATIONERY	40,000	1 ST MAY 2021	NIL	40,000	40,000	SUPPLY OF EXERCISE BOOKS
Sub-Total	6,673,743		1,726,097	4,947,646	4,947,646	
Supply Of Services						
12. B.O.M WORKERS	663,664	JUNE	NIL	342,604	383,100	PERSONAL EMOLUMENT
13. B.O.M TEACHERS	235,000	JUNE	NIL	325,000	325,000	B.O.M TCRS SALARIES
14. ATISCO SECURITY	40,500	JUNE	NIL	40,500	40,500	PERSONAL EMOLUMENT
Sub-Total	708,104		0	708,104	748,600	
Grand Total	7,381,847		1,762,097	5,655,750	5,696,246	

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Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1	DONATION FROM THE COMMUNITY	KAKUYUNI	N/A	NIL	NIL	N/A
Buildings And Structures	18 CLASSROOMS BUS SHED GREENHOUSE 2 LABORATORIES	TUITION BLOCK	N/A	N/A	N/A	N/A
Building And Structures	2 DORMITORIES	DORMITORY AREA				
School Bus	DONATION FROM C D F MALINDI	KAKUYUNI	N/A	N/A	N/A	N/A
Office Equipment, Furniture And Fittings	420 LOCKERS 420 CHAIRS	TUITION AREA	N/A	NIL	NIL	64,000
ICT Equipment, And Other ICT Assets	3 COMPUTERS 3 PRINTERS 1 POTOCOPIER	ADMINISTRATION BLOCK	N/A	N/A	N/A	N/A
Tools And Apparatus	18 SLASHERS	STORE	N/A	N/A	N/A	N/A
Other Machinery And Equipment	ENERGY SAVING JIKO	KAKUYUNI	172,000	NIL	NIL	172,000
Intangible Assets- Soft Ware	2020	KAKUYUNI	60,000	NIL	NIL	60,000