

REPUBLIC OF KENYA



REPORT

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 01 JUN 2026

DAY

wed

**TABLED
BY:**

Hon. Owen Jega
Deputy Majority Leader

**CLERK-AT
THE-TABLE:**

Mado Atabo

THE AUDITOR-GENERAL

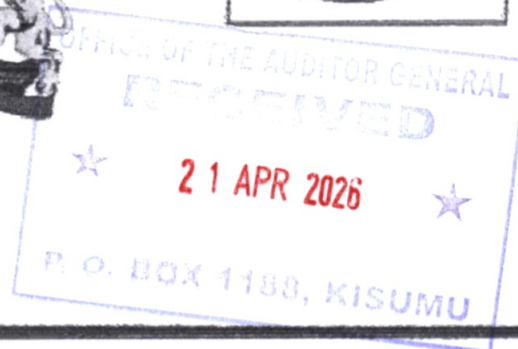
ON

**PARLIAMENT
OF KENYA
LIBRARY**

JOHN OSOGO SECONDARY SCHOOL

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

BUSIA COUNTY



JOHN OSOGO SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021**

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

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1. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

2. Key School Information and Management

(a) Background information

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

The school was registered in JULY/2015 under registration number 40S30000099 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a day and boarding school and had 530 numbers of students as at 30th June 2021. It has 02 streams and 22 teachers of which 04 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	PETER OSOGO	Chairman	11/6/19
2	PAUL OBUYA	Secretary - Principal	11/6/19
3	BENARD MANGO	Member	11/6/19
4	JONAH OKADO	Member	11/6/19
5	FELIX EKHABA NYANGWESO	Member	11/6/19
6	MARTIN NAMUYE	Member	11/6/19
7	JOHN EGESA	Member	11/6/19
8	HENRY TABU INDINDI	Member – Rep CEB	11/6/19
9	DOREEN KIBERENGE	Member Rep Teachers	11/6/19
10	FR.DAVID IDODI,FIDELIS MAMBO,ANNE OTEMA	3 Members - Sponsor	11/6/19
11	DORICE MAKHULO	Member - Community	11/6/19
12	ABSCONTER OMUKE	Member Special Needs	11/6/19
13	BRAVIN OGESA	Rep Students	11/6/19

The functions of the School Board of Management are to:

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

(c) Committees of the Board

(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	PETER OSOGO ,PAUL OBUYA, BENARD MANGO, ANNE OTEMA ,YONAH OKADO, MAMBO FIDEL, FELIX EKHABA, PHILIP ODUORI.	CHAIR SECRETARY MEMBER MEMBER MEMBER MEMBER MEMBER	2
2	Audit Committee	PETER OSOGO, FELIX EKHABA, BENARD MANGO, ABSCONTER OMUKE	CHAIR SECRETARY MEMBER MEMBER	2

3	Finance,procurement and general purposes Committee	FELIX EKHABA,	CHAIR	2
		PAUL OBUYA,	SECRETARY	
		BENARD MANGO,	MEMBER	
		ABSCONTER OMUKE,	MEMBER	
		PETER OSOGO	MEMBER	
4	Academic Committee	FIDELIS MAMBO	CHAIR	2
		,PAUL OBUYA,	SECRETARY	
		ANNE OTEMA,,	MEMBER	
		DORICE MAKHULO	MEMBER	
		,DORREN KIBERENGGE,	MEMBER	
		MARIUS OMODO	MEMBER	
5	Development Committee	PAUL OBUYA,	CHAIR	2
		MARIUS OMODO,	SECRETARY	
		GEORGE OWUOCHE,	MEMBER	
		PETER OSOGO,	MEMBER	
		PHILIP ODUOR	MEMBER	
		,FELIX EKHABA,	MEMBER	
		ABSCONTER OMUKE	MEMBER	
6	Discipline and welfare Committee	MAURICE OGOTI	CHAIR	2
		,MARTIN NAMUYE,	SECRETARY	
		PHILIP ODUOR,	MEMBER	
		ANNE OTEMA	MEMBER	
		,PAUL OBUYA	MEMBER	
		,MARIUS OMODO	MEMBER	

7	Adhoc Committee (if any during the year)	MOSES WANYAMA	CHAIR	1
		,LYDIA ATIENO,	SECRETARY	
		BARASA MWARO,	MEMBER	
		JOHN OKUMU	MEMBER	
		,DOREEN KIBERENGE,	MEMBER	
		PETER ODHIAMBO	MEMBER	
		,AGREY WESONGA	MEMBER	

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Paul Obuya	315644
2	Deputy Principal	Marius Omodo	375974
3	School Bursar	Lydia Atieno	-
4	Other (specify)		

(e) Schools contacts

Post Office Box: 12-50410
 Telephone:
 E-mail: Telephone: 0728614896
 E-mail: joosch@gmail.com

Website:

Facebook:

Twitter:

(f) School Bankers

1. Name of Bank: KCB
 Branch: PORT VICTORIA
 Account Number: 1136828044
2. Name of Bank: KCB
 Branch: PORT VICTORIA
 Account Number: 1212201612
3. Name of Bank: KCB
 Branch: PORT VICTORIA
 Account Number: 1212201876
4. Name of Bank: KCB
 Branch: PORT VICTORIA
 Account Number: 1212202007

5. MPESA Pay Bill No. N/A attached to N/A bank account

(g) Independent Auditors

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

3. Summary Report of Performance of The School

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

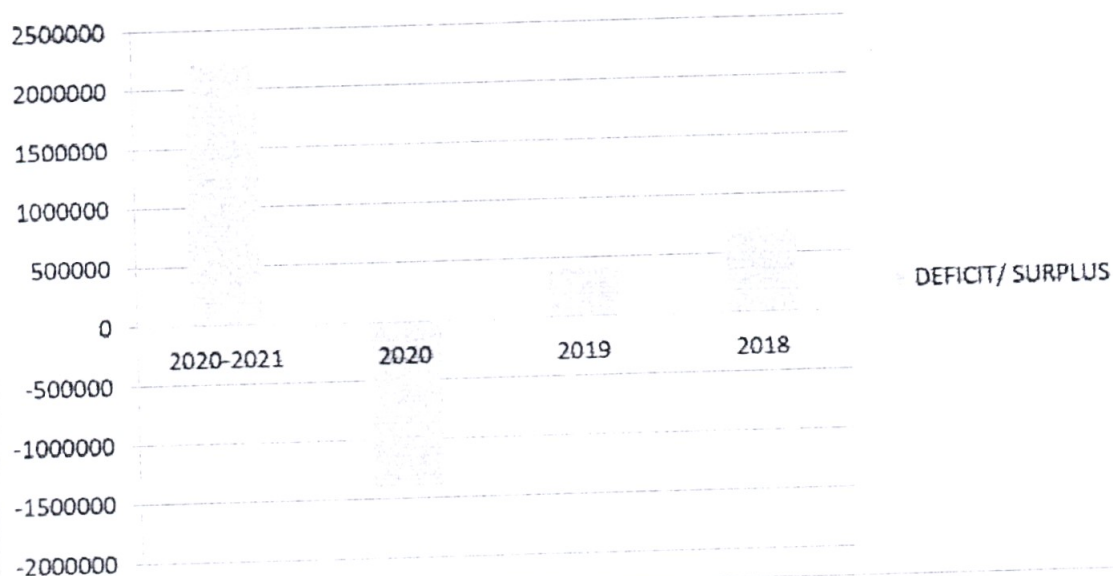
a) Financial performance:

(Under this section, the following information should be given:

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

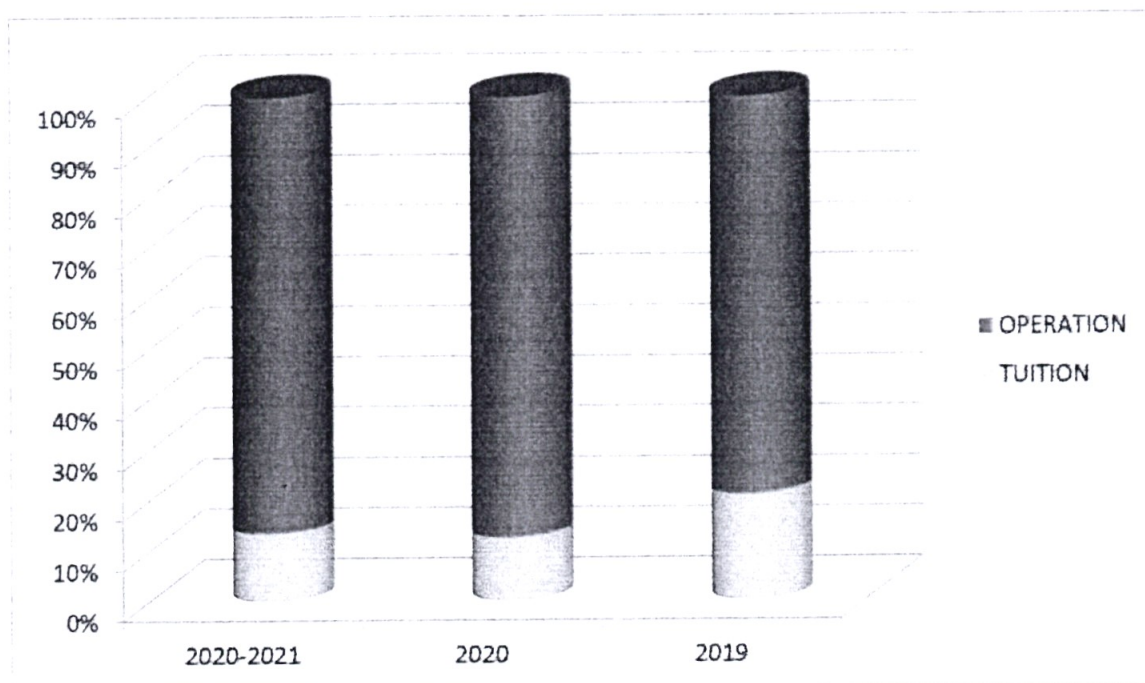
YEAR	2020-2021	2020	2019	2018
Surplus/ deficit	2,209,752	(1,404,550)	402,640	716,611

DEFICIT/ SURPLUS



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

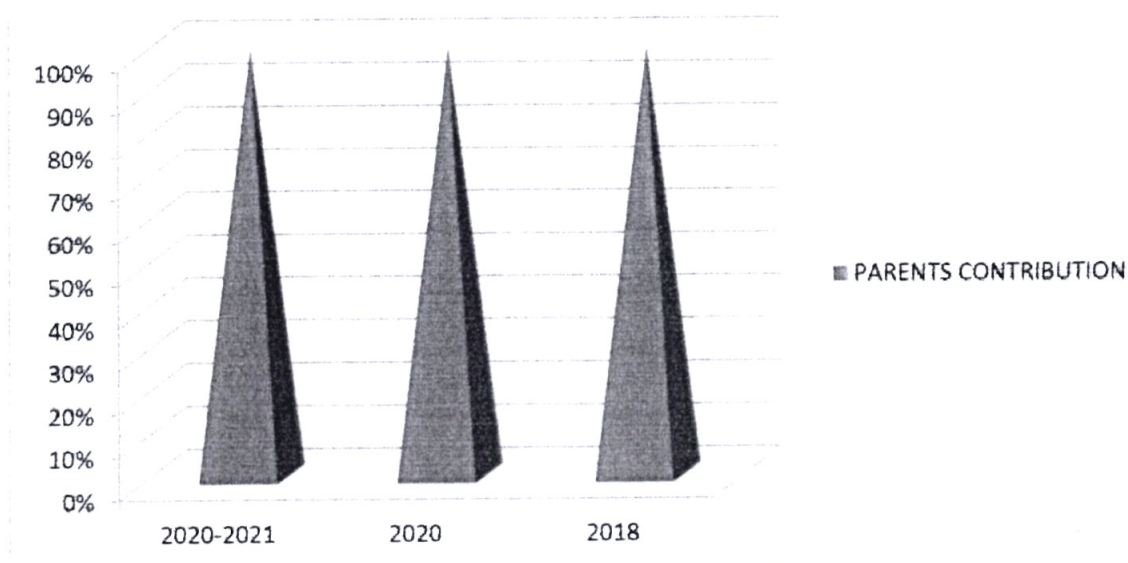
YEAR	2020-2021	2020	2019
TUITION	666,334	466,334	1,666,334
OPERATION	4,202,457	3,202,457	6,202,457



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

YEAR	2020-2021	2020	2019
PARENTS CONTRIBUTION	3,409,533	2,409,533	2,809,533

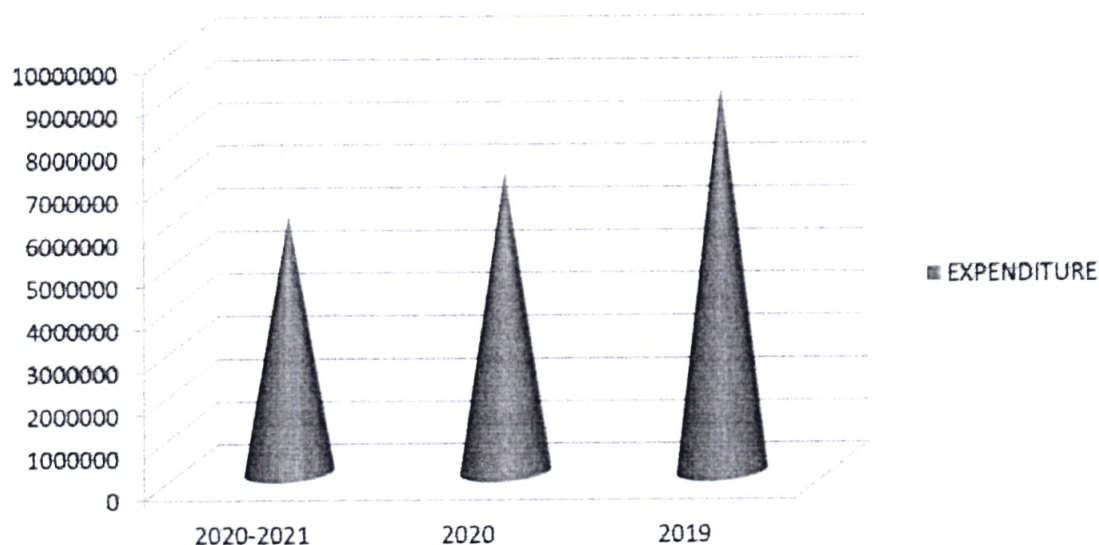
PARENTS CONTRIBUTION



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

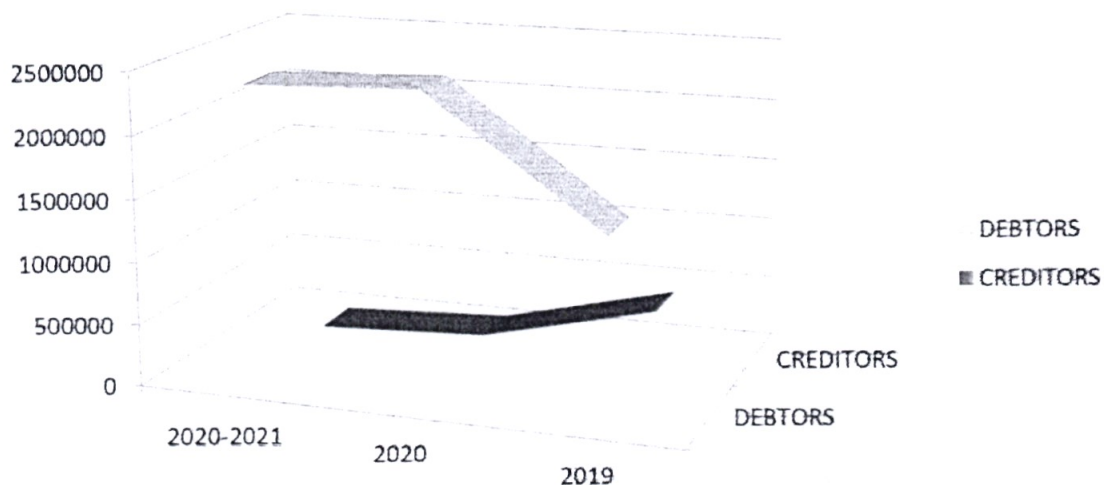
YEAR	2020-2021	2020	2019
EXPENDITURE	6,068,572	7,068,572	9,068,572

EXPENDITURE



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

YEAR	2020-2021	2020	2019
DEBTORS	2,360,465	2,414,507	1,414,507
CREDITORS	0	69,650	419,650



b) Teacher Student ratio:

<i>Teachers employed by TSC</i>	18
<i>Teachers employed by BOM</i>	04
<i>Teachers retired</i>	00
<i>Teachers posted</i>	00
<i>Teachers Transferred</i>	00
<i>Teachers to student ratio</i>	1:20 STUDENTS

c) Mean score in the 2021 KCSE:

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN SCORE</i>	<i>UNIVERSITY ENTRY</i>
2021	100	4.19	28
2020	96	6.135	50
2019	73	5.00	20

d) Number of Candidates in the 2021 KCSE:

<i>YEAR</i>	<i>CANDIDATES</i>
2021	100
2020	96
2019	73

e) Capacity of the school:

<i>DINNING HALL</i>	01
<i>LAB</i>	02
<i>CLASSROOM</i>	08

DORM	02
TOILETS	22 Doors
KITCHEN	01
LIBRARY	01

f) Development projects carried out by the school:

(Development projects carried out in the year and on-going projects including a disclosure of project fund sources in a tabular format).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Tiling of classrooms	MOE	Complete	402,640	402,640	Complete



School Principal

4. Statement of School Management Responsibility

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

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

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

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



.....
Name: BENJAMIN M. ALOO

Designation: Chairman, School Board of Management

Date: 21/4/26



.....
Name: PAUL OUMA

Designation: School Principal & Secretary to Board of Management

Date: 21/4/26



.....
Name: LYDIA MENDO

Designation: Bursar/ Finance Officer

Date: 21/4/26

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 JOHN OSOGO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – BUSIA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of John Osogo Secondary School set out on pages 1 to 21, which comprise of the statement of Assets and Liabilities as at 30 June, 2021, and the statement of receipts and payments, statement

of cashflows, 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 John Osogo Secondary School at 30 June, 2021 and of its statement of receipts and payments and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported School Fund Income – Parents Contribution

The statement of receipts and payments reflects school fund income balance of Kshs.3,409,533. However, the income was not supported with detailed schedule indicating student data; invoiced amounts and actual receipts from the students.

In the circumstances, the accuracy and completeness of the school fund income balance of Kshs.3,409,533 could not be confirmed.

2. Unsupported Accounts Payables

The statement of assets and liabilities and Note 14 to the financial statements reflects prepaid fees balance of Kshs.69,650. However, the balance was not supported by a detailed schedule, ageing report and evidence of prepayments.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.69,650 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.23,660,450 and Kshs.8,278,324 respectively resulting to under-collection of Kshs.15,382,126 or 35% of the budget. However, the school spent Kshs.6,068,572 against actual receipts of Kshs.8,278,324 resulting in an under-utilization of Kshs.2,209,752 or 36 % of actual receipts.

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

2. Unaudited Opening Balances

I draw your attention to the opening balances for the 2020/2021 financial year. The opening balances as at 1 July, 2020 were based on unaudited figures. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to xv which comprise of Key school Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 6 March, 2026 instead of the statutory deadline of 30 September, 2021. This was contrary to the Section 81(4) of the Public Finance Management Act, 2012 states that not later than three months after the end of each financial year, the accounting officer for the entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, the National Treasury and the Commission on Revenue Allocation.

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

2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects operation payments balance of Kshs.2,837,570 as disclosed in Note 7 to the financial statements which includes transfers of Kshs.299,540 to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only the organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.299,540 could not be confirmed.

3. Lack of a Procurement Plan

The statement of receipts and payments reflects total expenditure amount of Kshs.6,068,572. However, Management failed to prepare an annual procurement plan for the financial year 2020/2021. Further there was no evidence that the plan was submitted to the National Treasury as required by Section 44(2c) of the Public Procurement and Asset Disposal Act, 2015. In addition, management did not reserve procurements for Youth, Women, PWDs and other disadvantaged groups contrary to Regulation 149 of the Public Procurement and Asset Disposal Regulations, 2020, which states that an accounting officer of a procuring entity shall, when processing procurement under section 157(5) of the Act, allocate at least thirty percent (30%) of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability.

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

4. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflects school fund income - parents' contributions amount of Kshs.3,409,533 as disclosed in Note 4 to the financial statements. Review of records revealed that the school charged an amount of Kshs.40,535 and Kshs.15,000 per student for boarding and day scholars respectively

to support the Programme. However, the fees charged had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education Programme which stipulates that a parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee structure and lunch for the day scholars.

In the circumstances, Management was in breach of the Government Guidelines.

5. Irregular Use of Direct Procurement

The statement of receipts and payments reflects total payments amounting to Kshs.6,068,572. Review of the payment records revealed that the school single sourced goods and services amounting to Kshs.799,765 without proper justification. This is contrary to the provisions of Section 103 of the Public Procurement and Asset Disposal Act, 2015 which states that that a procuring entity may use direct procurement if any of the following are satisfied; the goods, works or services are available only from a particular supplier/contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services and no reasonable alternative exists.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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), 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 existence of an effective oversight mechanisms could not be confirmed.

2. Weaknesses in Management of Assets

Notes 17 to the financial statements reflects Kshs.45,000 in respect of biological assets. However, Management did not prepare and maintain an updated assets register showing critical details relating to nature or type of asset, date of acquisition, cost, accumulated depreciation and net book values. Further, physical verification revealed that the biological assets were not tagged for ease of identification.

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

3. Long Outstanding Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.14,372,359 which includes debtors amounting to Kshs.12,011,894 that have been outstanding for a period beyond one year and there was no evidence of effort by Management to recover the debts. This is contrary to Regulation 83(2) of Public Finance Management (National Government) Regulations, 2015 which states that for purposes of this regulation, sound cash management includes pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the government are collected and banked promptly. Further, the school lacked a credit control and debts management policy which is useful to provide guidelines on contractual obligations students and other debtors.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

4. Weaknesses in the Board of Management

The School's Board of Management constituted thirteen members during the year under review. However, audit review of the members' personal files revealed that academic and professional qualification documents were not provided for verification, contrary to Section 57 of the Basic Education Act, 2013.

In the circumstances, the effectiveness of the governance mechanism at the school could not be confirmed.

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

Responsibilities of the Management and 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give

an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 May, 2026

6. Statement of Receipts and Payments for the Year Ended 30th June 2021

Description Of Vote Head	Note	2020-2021	2019-2020
		Kshs	Kshs
Receipts			
Government grants for tuition	1	666,334	
Government grants for operations	2	2,797,907	
Government Grants for infrastructure	3	1,404,550	
School fund income- parents' contributions	4	3,409,533	
Miscellaneous incomes	5	-	
Total Receipts		8,278,324	
Payments			
Tuition	6	716,611	
Operations	7	2,837,570	
Infrastructure	8	402,640	
Boarding and school fund	9	2,111,751	
Total Payments		6,068,572	
Surplus/Deficit		2,209,752	

The school financial statements were approved on 21/4/26 ~~2024~~ and signed by:



Name: BERNARD
M. ALOYA

Chair BOM

Date: 21/4/26



Name: PAUL ODURO
School Principal/ Secretary to
BOM

Date: 21/4/26



Name: LINDA OLUO

Bursar/ Finance Officer

Date: 21/4/26

7. Statement of Assets and Liabilities as At 30th June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,173,329	
Cash balances	11	103,520	
Short term investments	12	-	
Total cash and cash equivalent		2,276,849	
Account's receivables	13	14,372,359	
Total financial assets		16,649,208	
Financial liabilities			
Accounts payables	14	69,650	
Net financial assets		16,579,558	
Represented by			
Accumulated fund b/fwd	15	14,369,807	
Surplus/deficit for the year		2,209,752	
Net financial position		16,579,558	

The school's financial statements were approved on 21/4/26 ~~2024~~ and signed by:

.....
 Name: BENARD M. A. COYA

Chair BOM

Date: 21/4/26

.....
 Name: PAUL OBIYI
 School Principal/ Secretary to
 BOM

Date: 21/4/26

.....
 Name: WIDIA ARIENO
 Bursar/ Finance Officer
 Date: 21/4/26

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

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	666,334	
Government grants for operations	2	2,797,907	
Government grants for infrastructure	3	1,404,550	
School fund income- parents contributions/ fees	4	3,409,533	
Other income	5	-	
Total receipts		8,278,324	
Payments			
Cash outflows for tuition	6	716,611	
Cash outflows for operations	7	2,837,570	
Cash outflows for infrastructure		-	
Cash outflows Boarding/lunch and school fund payments	9	2,111,751	
Total payments		5,665,932	
Net cash inflow/outflow from operating activities		2,612,392	
Cash flow from investing activities			
Acquisition of assets	8	402,640	
Proceeds from sale of Assets		-	
Proceeds from investments		-	
Purchase of investments			
Net cash inflow/outflows from investing activities		2,209,752	
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	
Repayment of principal borrowings		-	
Net cash inflow/outflow from financing activities		2,209,752	
Net increase/decrease in cash and cash equivalents			
Cash and cash equivalent at beginning of the year		67,098	
Cash and cash equivalent at end of the year		2,276,849	

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

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

The school's financial statements were approved on 21/4/26 ~~2024~~ and signed by:

.....
Name: BERNARD M. ALLEN

Chair BOM

Date: 21/4/26

.....
Name: PAUL OBUNG
School Principal/ Secretary to
BOM

Date: 21/4/26

.....
Name: LYDIA ALLEN

Bursar/ Finance Officer

Date: 21/4/26

JOHN OSOGO SECONDARY SCHOOL

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

9. Statement Of Budgeted Versus Actual Amounts for the Year Ended 30th June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Exercise books					
Teaching / learning materials	3,594,000	-	3,594,000	666,334	19%
Chalks					
Lab					
reference/Library					
Sub total	3,594,000	-	3,594,000	666,334	19%
<i>(2) Capitation Grant on Operations</i>					
Personnel emoluments	4,316,250	-	4,316,250		
Local transport / travelling	916,500		916,500	533,702	58%
Electricity and water	493,500		493,500	595,245	121%
Administration costs	1,717,500		1,717,500	1,668,960	97%
Other vote heads	-	-	-	-	
Activity					
Medical & insurance					
Sub total	7,443,750		3,127,500	2,797,907	89%

JOHN OSOGO SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
M &I MOE	3,375,000	-	3,375,000	1,404,550	42%
PTA					
Development fee					
Economic stimulus grants					
Sub total	3,375,000	-	3,375,000	1,404,550	42%
(4) Fees Charged on Parents					
P.E	527,000	-	527,000	206,487	39%
BES/LUNCH	11,345,450		11,345,450	2,032,218	18%
RMI	408,000		408,000	183,230	45%
Local transport / travelling	110,500		110,500	37,830	34%
Electricity and water	833,000		833,000	201,720	24%
Arrears recovered				585,493	
Other vote heads				-	
Prepaid				69,650	
Administration costs	314,500		314,500	84,755	
Activity	25,500		25,500	8,150	
Administration costs					
Other vote heads					
Sub total	13,563,950	-	13,563,950	3,409,533	25%

JOHN OSOGO SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
5) Miscellenous Income					
Rent					
Computer fees					
Canteen					
Income from Bus Hire					
Bakery					
Tender					
Tender					
Interest Income					
Sub total					
Total Income	27,976,700	-	23,660,450	8,278,324	35%
(6) Expenditure For Tuition					
Textbooks					
Exercise books					
Teaching / learning materials	3,594,000	-	3,594,000	716,611	20%
Lab					
Payables					
Text books					
Bank charges					
Sub total	3,594,000	-	3,594,000	716,611	20%

JOHN OSOGO SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(7) Expenditure For Operations					
Personnel emoluments	4,316,250	-	4,316,250	75,000	2%
Service gratuity					
Local transport / travelling	916,500		916,500	1,250,917	136%
Electricity and water	493,500		493,500	36,722	7%
Administration costs	1,717,500		1,717,500	1,474,931	86%
Activity					
Medical & insurance					
Bank charges					
Recoveries					
Payables					
Sub total	7,443,750	-	7,443,750	2,837,570	38%
(8) Expenditure For infrastructure					
Construction of classrooms	3,375,000	-	3,375,000	402,640	12%
Construction of LAB					
Construction of ablution blocks					
Construction of dorm & fencing					
Payables					
Sub total	3,375,000	-	3,375,000	402,640	12%
(9) Expenditure For school fund/lunch/boarding					
P.E	527,000	-	527,000	-	

JOHN OSOGO SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
BES/LUNCH	11,345,450		11,345,450	2,006,335	18%
RMI	408,000		408,000	15,000	4%
Local transport / travelling	110,500		110,500	6,000	5%
Electricity and water	833,000		833,000	2,500	0%
Administration costs	314,500		314,500	81,916	26%
Activity	25,500		25,500	-	
Lunch					
Prepaid					
Payable					
Administration costs					
Other vote heads					
Refund					
Bank charges					
Canteen					
Sub total	13,563,950	-	13,563,950	2,111,751	16%
Totals expenditure	27,976,700		27,976,700	6,068,572	22%

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

- i. Under capitation grants from MOE most vote heads were below 90% due to under funding from the ministry.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To the Financial Statements**1 Government Grants for Tuition**

Description	2020-2021	2019-2020
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal exams		
Teaching / learning materials	666,334	
Chalk		
Total	666,334	

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Local transport / travelling	533,702	
EWC	595,245	
Admin cost	1,668,960	
Medical		
Activity		
Total	2,797,907	

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2020-2021	2019-2020
	Kshs	Kshs
Maintenance & improvement MOE	1,404,550	
PTA		
Development fee		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	1,404,550	

4 School Fund Income - Parents Contribution/Fees

Description	2020-2021	2019-2020
	Kshs	Kshs
P.E	206,487	
BES/LUNCH	2,032,218	
RMI	183,230	
Local transport / travelling	37,830	
Electricity and water	201,720	
Arrears recovered	585,493	
Other vote heads	-	
Prepaid	69,650	
Administration costs	84,755	
Activity	8,150	
Total	3,409,533	

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

5 Miscellaneous Incomes

Description	2020-2021	2019-2020
	Kshs	Kshs
Rent income		
Canteen		
Computer fees		
Income from Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Tender fees		
Bakery		
Loans/Borrowings*		
Miscellaneous		
Total		

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

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

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

Notes to the Financial Statements (continued)

6 Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Exercise Books		
Chalk		
Reference materials		
Teaching / learning materials	716,611	
Payables		
Exams and assessment		
Lab		
Bank Charges		
Total	716,611	

7 Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	75,000	
Administration Cost	1,474,931	
Local transport / travelling	1,250,917	
Electricity and water	36,722	
Payables		
KESSHA levies		
Activity Expenses		
Bank Charges		
RMI		
Medical & Insurance		
Total	2,837,570	

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2020-2021	2019-2020
	Kshs	Kshs
Improvement of dormitories	402,640	
Construction of ablution blocks		
Fencing		
Toilet		
Total	402,640	

9 Boarding And School Fund

Description	2020-2021	2019-2020
	Kshs	Kshs
BES/LUNCH	2,006,335	
RMI	15,000	
Local transport / travelling	6,000	
Electricity and water	2,500	
Payables		
PE		
Medical		
Tuition materials		
Activity Expenses		
Admin cost	81,916	
Bank charges		
Total	2,111,751	

(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2020-2021	2019-2020
	Active/Dormant		Kshs	Kshs
Tuition Account			11,751	
Operations Account			986,576	
School Fund Account/Boarding			1,175,003	
Saving account				
Income Generating Activities Account				
Infrastructural Account				
Total			2,173,329	

11 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Notes and Coins	103,520	
Total	103,520	

12 Short Term Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	14,372,359	
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	14,372,359	

13 b Ageing Analysis of Accounts Receivable

Description	2020-2021		2019-2020	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,360,465	16%		
Between 1- 2 years	2,414,507	17%		
Between 2-3 years				
Over 3 years	9,597,387	67%		
Total (should tie to note 13 a)	14,372,359	100%		

14 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)		
Prepaid Fees	69,650	
Retention Monies		
Unpaid salaries and statutory deductions		
Recoveries		
Other payables (specify)		
Total	69,650	

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2020-2021		2019-2020	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)				

15 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	52,044	
Cash Balances	15,054	
Short Term Investments	-	
Receivables	14,302,709	
Payables	-	
Total	14,369,807	

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Piglet			
Pigs			
Trees	50	45,000	
Coffee Or Tea Plantation			
Poultry			
Total	50	45,000	

18 Borrowings

Description	2020-2021	2019-2020
	Kshs	Kshs
Borrowings at beginning of the year		
Borrowings during the year		
Repayments during the year		
Balance at the end of the year		

Other important disclosure notes

19 Stock/ Inventory

Description	2020-2021	2019-2020
	Kshs	Kshs
Food stuffs	245,572	
Lab consumables	123,000	
Farm produce	-	
Medication	-	
Construction Materials	-	
Others (specify)	-	
Total	368,572	

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

20 Progress on Follow up Of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)


 Sign and Date
 Principal

21/4/26

JOHN OSOGO SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2021

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
Sub-Total						
Supply Of Goods						
3. N/A						
Supply Of Services						
Sub-Total						
Grand Total						

JOHN OSOGO SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2021

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	DONATION			
Buildings And Structures	24,000,000	0	0	24,000,000
Motor Vehicles	3,000,000	0	0	3,000,000
Office Equipment, Furniture And Fittings	500,000	0	0	500,000
ICT Equipment, And Other ICT Assets	120,000	0	0	120,000
Tools And Apparatus	250,000	0	0	250,000
Textbooks	400,000	0	0	400,000
Other machinery and equipment (electronics)				
Grinding mill				
Intangible Assets- Soft Ware				
Total	28,270,000	0	0	28,270,000

N.B. The figures above are after valuation of assets.

1/2