

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**


**THE AUDITOR-GENERAL**

**ON**

**KAKUYUNI BOYS SECONDARY SCHOOL**

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

**KILIFI COUNTY**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	12 MAR 2025
	DAY: WEDNESDAY
TABLED BY:	DEPUTY MAJORITY WHIP (HON. NAOMI KIAGO, MP)
CLERK-AT-THE-TABLE:	J. LEMERELLE

Revised 30<sup>th</sup> June 2021.



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*KAKUYUNI BOYS SECONDARY SCHOOL*  
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE 6 MONTH PERIOD ENDED**  
**30<sup>th</sup> June 2021**

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

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

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

**(a) Background information**

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

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

The school is a day/boarding school and had 586 number of students as at 30<sup>th</sup> June 2021. 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	04-07-2019
2	ALPHONCE K. KAINGU	Secretary- Principal	04-07-2019
3	EMILY KARISA	Member	04-07-2019
4	DHAHABU K. ABIO	Member	04-07-2019
5	JANET K. KAINGU	Member	04-07-2019
6	SOPHIA K. JEFWA	Member	04-07-2019
7	SAMUEL JEFA YAA	Member	04-07-2019
8	EDWARD K. KOMBE	Member	04-07-2019
8	LEONARD MAMBO CHANGAWA	Member – Rep CEB	04-07-2019
9	JOAN AKINYI NYAMBURI	Member Rep Teachers	04-07-2019
10	SAMSON WAMUNGA	Sponsor	04-07-2019
11	RAPHAEL K. CHARO	Sponsor	04-07-2019
12	PATRICK CHIPIRA	Sponsor	04-07-2019
13	OMAR M. THOYA	Member - Community	04-07-2019
14	NORMAN MCHORI MWAWANA	MemberSpecial Needs	04-07-2019

**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.

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**(c) Committees of the Board**

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

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**(d) School operation Management**

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

<b>Ref:</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number/LD NO.</b>
1	Principal	ALPHONCE K. KAINGU	374142
2	Deputy Principal	ROBERT JOHNSON KITHI	421579
3	School Bursar	MERCY W. WANGURA	21838340

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

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

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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:    PERSONAL EMOLUMENT ACCOUNT  
          Account Number  1168207150
  
5.       Name of Bank       K C B  
          Branch           MALINDI  
          ACCOUNT NAME:    INFRASTRUCTURE ACCOUNT  
          Account Number  1253176663
  
6.       Name of Bank       K C B  
          Branch           MALINDI  
          ACCOUNT NAME:    BUS FUND ACCOUNT  
          Account Number  1253177066
  
7.       Name of Bank       CO-OPERATIVE BANK  
          Branch           MALINDI  
          Account Number  01192264662200

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**(g) Independent Auditors**

Office of the Auditor General

Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

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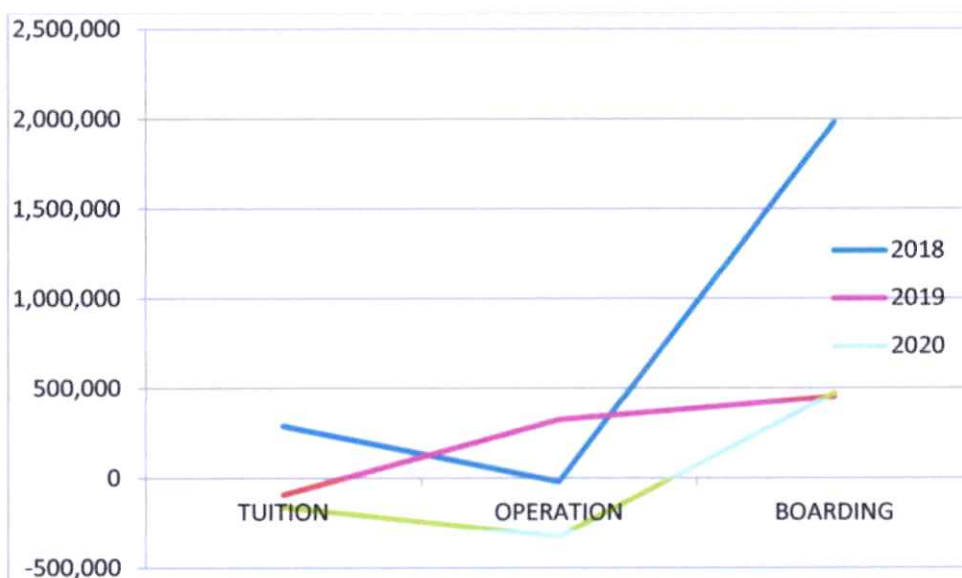
**II.SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

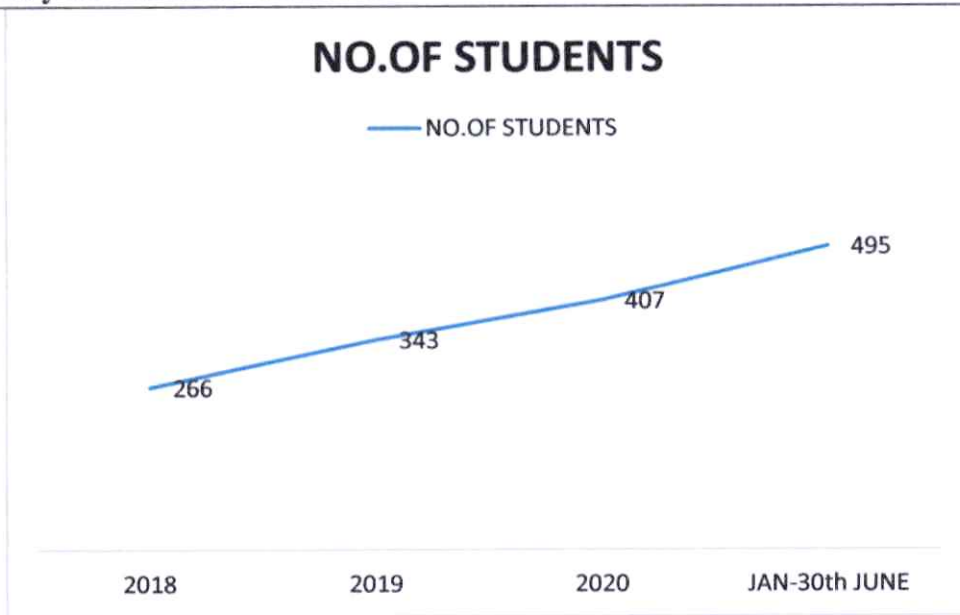
	TUITION	OPERATION	BOARDING
2018	290,659	-20,002	1,980,500
2019	-91,753	324,385	452,357
2020	-160,536	-325,556	471,190



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

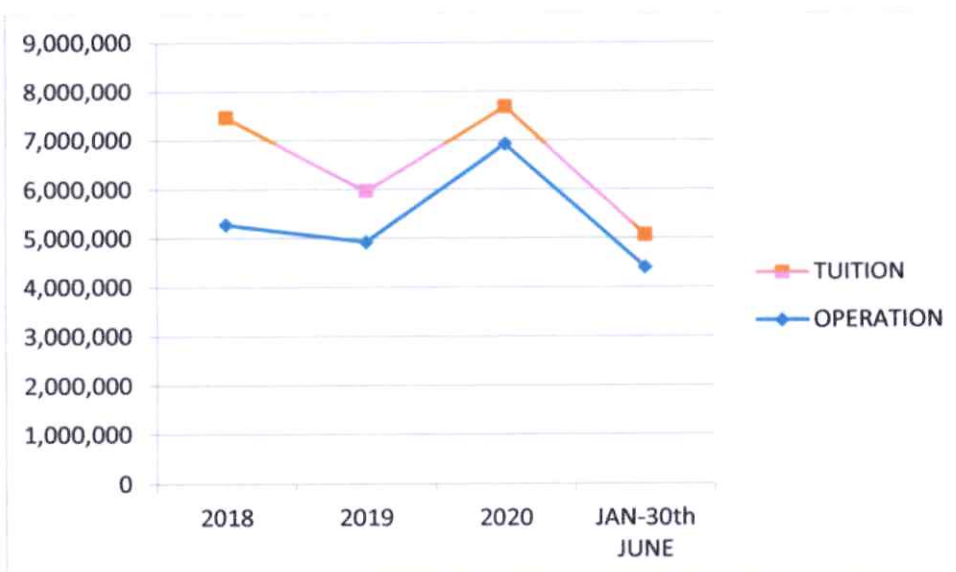
	NO.OF STUDENTS
<b>2018</b>	<b>266</b>
<b>2019</b>	<b>343</b>
<b>2020</b>	<b>407</b>
<b>JAN-30<sup>th</sup> JUNE</b>	<b>495</b>

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

	<b>OPERATION</b>	<b>TUITION</b>
<b>2018</b>	<b>5,273,796</b>	<b>2,186,554</b>
<b>2019</b>	<b>4,923,813</b>	<b>1,041,229</b>
<b>2020</b>	<b>6,923,150</b>	<b>753,293</b>
<b>JAN-30<sup>th</sup> JUNE</b>	<b>4,409,026</b>	<b>657,994</b>



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- **Three year overview of growth of other income(s) earned by the school**  
**The school has a school bus**

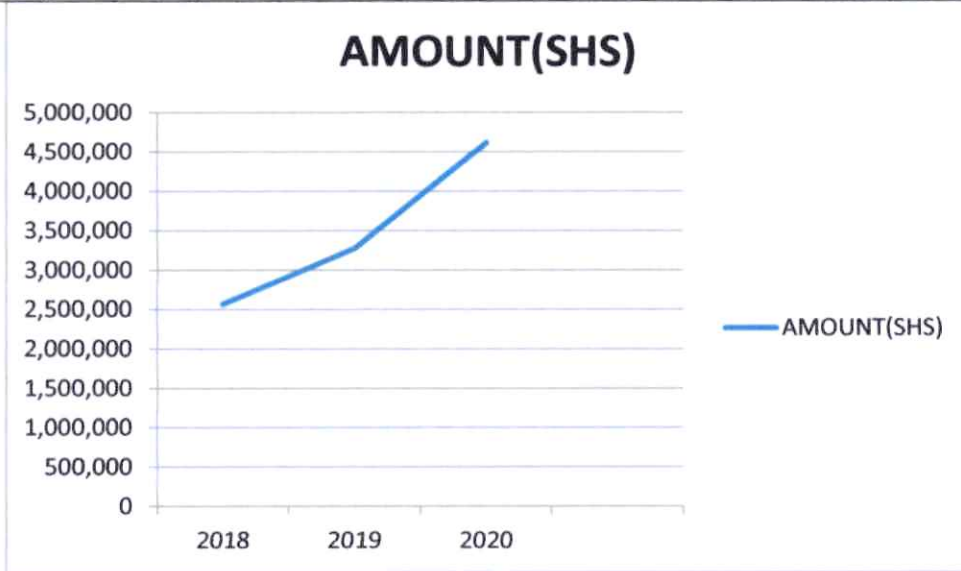
	<b>AMOUNT(SHS)</b>
<b>2019</b>	<b>448,000</b>
<b>2020</b>	<b>222,000</b>
<b>JAN-30<sup>th</sup> JUNE</b>	<b>392,000</b>



- **Three year overview of growth in expenditure of the school**

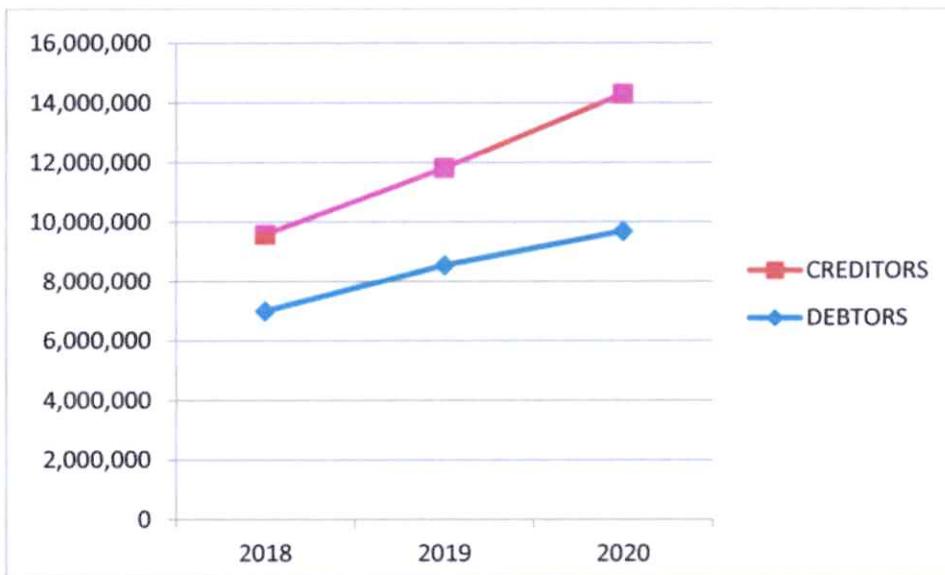
	<b>AMOUNT(SHS)</b>
<b>2018</b>	<b>2,570,032</b>
<b>2019</b>	<b>3,277,433</b>
<b>2020</b>	<b>4,616,205</b>

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

	<b>DEBTORS</b>	<b>CREDITORS</b>
<b>2018</b>	<b>7,001,693</b>	<b>2,570,032</b>
<b>2019</b>	<b>8,551,803</b>	<b>3,277,433</b>
<b>2020</b>	<b>9,686,230</b>	<b>4,616,205</b>



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**B) Teacher Student Ratio:**

1. Teacher to student ratio: 1:31
2. Number of teachers recruited and posted to the school within the year---1
3. Number of teachers that were transferred/retired during the period -----0
4. Number of teachers employed by T S C-----17
5. Number employed by B O M-----12
6. 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**

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

- Number of students that has transitioned to institutions of high 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 YEAR 2021,2020 and 2019**

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 dormitories----2 dormitories and 324 boarding students.The 2 dormitories can accommodate a maximum of 250 students.The rest 74 have been accomodated in the dining hall temporarily.

\* The number of students in the school vis a vie 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.Further it has been turned into a temporary dormitory so currently there is no dining space.

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

\* The number of students in the school vis a vie the toilets-----16 toilets  
The number of toilets for students are not enough.We need ten more rooms.

\* The number of students in the school vis a vie 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	M O E S T	Complete

SIGN

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

Date: 28/8/21 Sign: .....

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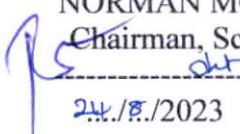
**STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

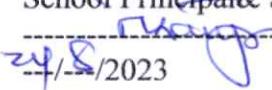
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

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

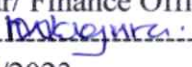
The Board of Management of Kakuyuni Boys Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: NORMAN MCHORI MWAWANA  
Designation: Chairman, School Board of Management  
Sign:   
Date: 24/8/2023

Name: ALPHONCE KAZUNGU KAINGU  
Designation: School Principal & Secretary to Board of Management  
Sign:   
Date: 24/8/2023

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

Name: MERCY WANGECHI WANGURA  
Designation: Bursar/ Finance Officer  
Sign:   
Date: 24/08/2023

# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON KAKUYUNI BOYS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – 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 the 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.

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 Kakuyuni Boys Secondary School – Kilifi County set out on pages 16 to 28 which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution 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 for the six (6) months' period ended 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance Kshs.12,963,740. Included in this is an amount of Kshs.7,502,114 in respect of fees arrears as disclosed in Note 10 to the financial statements which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.12,963,740 could not be confirmed.

#### **2. Unsupported Cash and Cash Equivalentents**

The statement of financial assets and financial liabilities reflects cash and cash equivalentents balance of Kshs.3,466,619 as disclosed in Note 8 to the financial statements. However, the bank balances were not supported by bank certificates and bank reconciliation statements. Further, board of survey report to support the cash at hand was not provided for audit.

In the circumstances, the accuracy and completeness of the Kshs.3,466,619 in respect of cash and cash equivalentents could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kakuyuni Boys Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **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.22,205,418 and Kshs.10,680,079 respectively, resulting to an under-funding of Kshs.11,525,339 or 52% of the budget. However, the School spent a balance of Kshs.7,740,226 against actual receipts of Kshs.10,680,079 resulting to an under-utilization of Kshs.2,939,853 or 28% 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.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. 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.7,995,921 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.88,250 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.88,250 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 27 May, 2024 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

## **3. Failure to Transfer Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.4,409,026 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.1,229,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.201,500 was transferred to infrastructure account, leaving a balance of Kshs.1,028,000 as at 30 June, 2021.

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.14,571,349 and Kshs 14,140,237 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 Regulations 40 of the Public Procurement 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 and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.5,081,000. However, included in the balance are trade payables balance of Kshs.80,680 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 of loss of public funds through litigations, interests and penalties.

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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance, 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 period under review, the School did not have an audit committee. The School did not comply as required by Regulations 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which requires 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 audit could not confirm whether the School benefited from the oversight role and advice from the audit committee and the internal audit function.

#### **2. Failure to Update Summary of Fixed Assets Register**

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 circumstances, 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 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

23 September, 2024

**KAKUYUNI BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
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**III. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	1 <sup>st</sup> JAN-30 <sup>th</sup> JUNE	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	657,994.00	753,293.00
Capitation grants for operations	2	4,409,026.00	4,923,150.00
School Fund Income- Parents' Contributions	3	9,041,128.65	8,071,454.00
School Fund Income- Other receipts	4	463,200.00	599,840.00
Infrastructure Fund	2		3,618,160.00
<b>TOTAL RECEIPTS</b>		<b>14,571,348.65</b>	<b>17,965,897.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	822,573.00	880,090.00
Payments for operations	6	5,321,743.00	7,069,657.00
Boarding and school fund payments	7	7,995,921.00	9,956,489.00
<b>TOTAL PAYMENTS</b>		<b>14,140,237.00</b>	<b>17,906,236.00</b>
<b>SURPLUS/DEFICIT</b>		<b>431,111.65</b>	<b>59,661.00</b>

The school financial statements were approved on 24<sup>th</sup> August 2023 and signed by:

SIGN..... *det* .....

NAME... NORMAN MWAWANA MCHORI

B.O.M CHAIRPERSON

DATE..... *det 24/8/2023* .....

8.65

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

NAME... ALPHONCE KAZUNGU KAINGU

SCHOOL PRINCIPAL/B.O.M SECRETARY

**PRINCIPAL**

KAKUYUNI BOYS SEC. SCHOOL

P. O. Box 5400-80200, MALINDI

DATE..... *24/8/23* .....

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

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

NAME... MERCY WANGECHI WANGURA

SCHOOL BURSAR

DATE..... *24/08/2023* .....

**KAKUYUNI BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
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**IV. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT  
30<sup>TH</sup> JUNE 2021**

	Note	1 <sup>st</sup> Jan-30 <sup>th</sup> JUNE	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	3,466,618.15	3,035,506.50
<b>Total Cash and cash equivalent</b>		<b><u>3,466,618.15</u></b>	<b><u>3,035,506.50</u></b>
Account's receivables	10	12,963,740.00	11,304,056.55
<b>TOTAL FINANCIAL ASSETS</b>		<b>16,430,358.15</b>	<b>14,339,563.05</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	11	(5,081,000.00)	(3,421,317.00)
<b>NET FINANCIAL ASSETS</b>		<b>11,349,358.15</b>	<b>10,918,246.05</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	12	10,918,247.15	10,858,585.55
Surplus/Deficit for the year		431,111.00	59,660.50
<b>NET FINANCIAL POSSITION</b>		<b>11,349,358.15</b>	<b>10,918,247.05</b>

The School's financial statements were approved on 23<sup>rd</sup> AUGUST 2023 and signed by:

KAKUYUNI BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021

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

NAME... NORMAN MWAWANA MCHORI  
B. O. M CHAIRPERSON

DATE... 24/8/2023 .....

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

NAME... ALPHONCE KAZUNGU KAINGU  
SCHOOL PRINCIPAL/B.O.M SECRETARY

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

DATE... 24/8/23 .....

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

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

NAME... MERCY WANGECHI WANGURA  
SCHOOL BURSAR

DATE... 24/08/2023 .....

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**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Capitation grants for tuition	<b>1</b>	657,994.00	753,293.00
Capitation grants for operations	<b>2</b>	4,409,026.00	4,923,150.00
School fund income- Parents contributions/ fees	<b>3</b>	9,041,128.65	8,071,454.00
Other Receipts-School Fund Account	<b>4</b>	463,200.00	599,840.00
Infrastructure Account		0	3,618,160.00
<b>Total receipts</b>		<b>14,571,348.65</b>	<b>17,965,897.00</b>
<b>Payments</b>			
Payments for Tuition	<b>5</b>	822,573.00	880,090.00
Payments for operations	<b>6</b>	3,048,623.00	4,096,818.00
Boarding and school fund payments	<b>7</b>	7,995,921.00	9,956,489.00
<b>Total payments</b>		<b>11,867,117.00</b>	<b>14,933,397.00</b>
<b>Net cashflow from operating activities</b>		<b>2,704,231.65</b>	<b>3,032,500.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		0	0
Construction of classrooms	<b>6</b>	(2,273,120.00)	(2,972,839.00)
Proceeds from investments		0	0
Purchase of investments		0	0
<b>Net cash flows from Investing Activities</b>		<b>(2,273,120.00)</b>	<b>(2,972,839.00)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
<b>Net cash flow from financing activities</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>431,111.65</b>	<b>59,661.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>3,035,506.50</b>	<b>2,975,845.50</b>
<b>Cash and cash equivalent at END of the year</b>	<b>8</b>	<b>3,466,618.15</b>	<b>3,035,506.50</b>

The school financial statements were approved on 24<sup>th</sup> August 2023 and signed by

**KAKUYUNI BOYS SECONDARY SCHOOL  
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For the year ended 30<sup>th</sup> June 2021**

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SIGN.....*du*.....  
NAME...NORMAN MWAWANA MCHORI  
B.O.M CHAIRPERSON  
DATE...24/8/2023.....

SIGN.....*Alphonse*.....  
NAME...ALPHONCE KAZUNGU KAINGU  
SCHOOL PRINCIPAL/B O M SECRETARY  
DATE...24/8/23.....

NAME...Mercy Wangura.....

NAME...MERCY WANGECHI WANGURA  
SCHOOL BURSAR  
DATE...24/08/2023.....

*KAKUYUNI BOYS SECONDARY SCHOOL*  
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**V. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

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
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Exercise books	607,096		607,096	192,113	414,983	31.6%
Laboratory equipment	559,6530		559,6530	41,653	517,977	7.4%
Internal exams	629,950		629,950	100,000	529,950	15.9%
Teaching / learning materials	338,518		338,518	306,036	82,482	78.8%
Chalks	48,638		48,638	3,703	44,955	7.6%
Reference/Library	194,552		194,552	14,489	180,063	7.5%
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	1,393,696		1,393,696	1,193,696	200,000	85.7%
Repairs and maintenance	2,000,000		2,000,000	1,955,000	45,000	97.5%
Local transport / travelling	688,530		688,530	450,118	238,412	65.4%
Electricity and water	688,530		688,530	450,118	238,412	65.4%
Administration costs	620,680		620,680	360,094	260,586	58.0%
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	874,500		874,500	593,585	280,915	67.9%
Repairs and maintenance	420,000		420,000	174,000	246,000	41.4%
Local transport / travelling	486,250		486,250	211,825	274,425	43.6%
Electricity and water	614,260		614,260	234,655	379,605	38.2%
Administration costs	461,800		461,800	186,930	274,870	40.5%
Activity	49,000		49,000	16,385	32,615	33.4%
Fee on Boarding Equipment and Stores	6,492,888		6,492,888	4,195,679	2,297,209	64.6%
<b>TOTAL INCOME</b>	17,119,518		17,119,518	10,680,079	6,538,439	62.4%
<b>(1) EXPENDITURE FOR TUITION</b>						

*KAKUYUNI BOYS SECONDARY SCHOOL*  
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Receipt/expense 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
Laboratory equipment	559,630		559,630	238,552	321,078	42.6%
Internal exams	629,950		629,950	600	629,350	0
Teaching / learning materials	338,518		338,518	0	338,518	0
Chalks	48,638		48,638	0	48,638	0
Reference/Library	194,552		194,552	0	194,552	0
Bank Charges	5,000		5,000	3,321	1,679	66.4%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	1,393,696		1,393,696	1,356,328	37,368	97.3%
Repairs, maintenance & improvements	2,000,000		2,000,000	1,039,850	960,150	52.0%
Local transport / travelling	688,530		688,530	133,150	555,380	19.34%
Electricity, water and conservancy	688,530		688,530	323,951	364,579	47.05%
Administration costs	620,680		620,680	358,581	262,099	57.77%
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	874,500		874,500	667,303	207,187	74.6%
Repairs, maintenance and improvements	420,000		420,000	140,736	279,264	33.5%
Local transport / travelling	486,250		486,250	628,980	(142,730)	129%
Electricity, water and conservancy	614,260		614,260	239,899	374,361	39.05%
Administration costs	461,800		461,800	515,485	(53,685)	112%
Activity	49,000		49,000	47,400	1,600	96.75%
Boarding Equipment and Stores	6,492,888		6,492,888	2,046,090	4,446,798	31.51%
<b>TOTALS</b>	<b>17,173,518</b>		<b>17,173,518</b>	<b>7,979,0369</b>	<b>9247,482</b>	<b>46%</b>

## **VI. 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.

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**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise books	192,113.00	188,441.00
Laboratory equipment	41,653.00	173,382.00
Internal exams	100,000.00	195,703.00
Teaching / learning materials	306,036.00	120,472.00
Chalks	3,703.00	15,059.00
Reference/Library	14,486.00	60,236.00
<b>Total</b>	<b>657,991</b>	<b>753,293.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,193,696.00	1,489,891.00
Repairs and maintenance	1,955,000.00	1,799,500.00
Local transport / travelling	450,118.00	338,217.00
Electricity and water	450,118.00	559,452.00
Medical		81,400
Activity		162,800
Administration costs	360,094.00	491,890.00
Infrastructure Fund		3,618,160.00
<b>Total</b>	<b>4,409,026.00</b>	<b>8,541,310.00</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

	<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,011,861.00	731,000.00
Repairs and maintenance	298,380.00	378,000.00
Boarding, Equipment & Stores/Lunch Programme	5,410,289.00	4,161,814.95
Local transport / travelling	405,489.00	445,580.00
Electricity and water	496,842.00	683,280.00
B.O.M Teachers Salaries	1,016,786.00	1,317,060.00
Administration costs	372,246.00	301,124.05
Activity	29,235.00	53,595.00
<b>Total</b>	<b>9,041,128.00</b>	<b>8,071,454.00</b>

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**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
School Bus Hire	452,000.00	469,000.00
Miscellaneous Income	11,200.00	26,840.00
Infrastructure Fund	0	104,000.00
<b>Total</b>	<b>463,200.00</b>	<b>599,840.00</b>

**5 PAYMENTS FOR TUITION**

	<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise books	367,200.00	95,534.00
Laboratory equipment	268,552.00	53,935.00
Internal exams	140,000.00	675,886.00
Teaching / learning materials	23,500.00	86,519.00
Reference Books	20,000.00	24,000.00
Bank Charges	3,321.00	1,500.00
<b>Total</b>	<b>822,573.00</b>	<b>937,374.00</b>

**6 PAYMENTS FOR OPERATIONS**

	<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,837,828.00	2,570,268.00
Administration Cost	591,144.00	230,467.00
Repairs and maintenance & improvements	49,850.00	103,200.00
Local transport / travelling	133,150.00	217,850.00
Electricity and water	398,951.00	508,058.00
Activity Expenses	37,700.00	346,975.00
Acquisition of Assets	2,273,120.00	2,972,839.00
Insurance Cost	0	120,000.00
<b>TOTAL</b>	<b>5,321,743.00</b>	<b>7,069,657.00</b>

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**7 BOARDING AND SCHOOL FUND PAYMENTS**

	<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	496,127.00	2,728,234.00
Activity Fee	47,400.00	187,305.00
Repairs and maintenance & Improvements	216,676.00	666,303.00
Local transport / travelling	628,980.00	397,895.00
Electricity and water	239,899.00	438,197.00
Bus Hire	265,099.00	115,840.00
Administration costs	515,485.00	649,447.00
B O M Teachers Salaries	807,885.00	1,004,900.00
Refund	16,895.00	43,570.00
Medical Expenses	21,950.00	20,535.00
Boarding Equipment and Stores/Lunch Programme	4,739,525.00	3,704,263.00
<b>TOTAL</b>	<b>7,995,921.00</b>	<b>9,956,489.00</b>

**8 BANK ACCOUNTS**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Bank Account Number</b>	<b>1<sup>st</sup> JAN-30<sup>th</sup> JUNE</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Tuition Account	1107986133	11,991.35	455.10
Operations Account	1104196212	695,122.65	8,756.40
School Fund Account/Boarding	1104211912	703,556.00	(218,494.00)
Savings Account(P EMOL)	1168207150	27,900.15	0
Bus Fund Account	1253177066	66,379.00	0
Infrastructural Account	1253176663	1,961,669.00	3,244,789.00
<b>Total</b>		<b>3,466,618.15</b>	<b>3,035,506.50</b>

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**9 ACCOUNTS RECEIVABLE**

Description	1 <sup>st</sup> JAN-30 <sup>th</sup> JUNE	2019-2020
	Kshs	Kshs
Fees arrears	12,963,740.50	11,304,056.55
Salary advances	0	30,675.00
<b>Total</b>	<b>12,963,740.50</b>	<b>11,334,731.55</b>

Description	1 <sup>st</sup> JAN-30 <sup>th</sup> JUNE	2019-2020
	Kshs	Kshs
Fees arrears for current year	4,174,114.00	2,564,777.00
Fees arrears for the previous year	1,287,513.00	909,756.00
Fees arrears for prior periods (over two years)	7,502,113.00	7,829,523.55
<b>Total</b>	<b>12,963,740.00</b>	<b>11,304,056.55</b>

**10 ACCOUNTS PAYABLE**

Description	1 <sup>st</sup> JAN-30 <sup>th</sup> JUNE	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	5,081,000.00	3,421,317.00
Prepaid fees	608,303.00	901,217.00
<b>Total</b>	<b>5,689,303.00</b>	<b>4,322,534.00</b>

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

Description	1 <sup>st</sup> JAN-30 <sup>th</sup> JUNE	2019-2020
	Kshs	Kshs
Trade creditors for current year	3,442,138.00	2,855,221.00
Trade creditors for the previous year	1,558,182.00	566,096.00
Trade creditors for prior periods (over two years)	80,680.00	-
<b>Total</b>	<b>5,081,000.00</b>	<b>3,421,317.00</b>

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**11 FUND BALANCE BROUGHT FORWARD**

Description	1 <sup>st</sup> JAN-30 <sup>th</sup> JUNE	2019-2020
	Kshs	Kshs
Bank balances	3,035,506.50	2,944,333.50
Cash balances	0	31,512.00
Receivables	11,304,056.55	10,659,511.05
Payables	(3,421,317.00)	(2,776,771.00)
<b>Total</b>	<b>10,918,246.05</b>	<b>10,858,585.55</b>

**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.

**12 Biological assets**

Description	Numbers	1 <sup>st</sup> JAN-30 <sup>th</sup> JUNE	2019-2020
		Kshs	Kshs
Goats	8	N/A	N/A
<b>Total</b>	<b>8</b>	<b>N/A</b>	<b>N/A</b>

**13 Stock/ Inventory**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Stock/ inventory at beginning of the year	122,564.00	NIL
Stock/ inventory purchased during the year	2,599,030.00	3,082,688.00
Stock/ inventory issued during the year	(2,274,131.00)	(2,960,124.00)
<b>Balance at end of the year</b>	<b>477,463.00</b>	<b>122,564.00</b>

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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 for the 2020 Audit report

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time (Put a date when you expect)
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 debts by the end of the 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 school fees before sitting for the next meeting
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 2021	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1.						
2.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
3. BILL SOLAR ENGINEERING	637,000	SEPTEMBER 2020	272,000	365,000	365,000	SUPPLY OF ENERGY SAVING JIKO
4. EPHAH MARCHANTS	293,160	1 <sup>ST</sup> JANUARY 2021	NIL	293,160	293,160	SUPPLY OF HARDWARE MATERIALS
5. NAKURU RUBBER STAMP	40,000	JUNE 2022	NIL	40,000	40,000	SUPPLY OF SCHOOL DIARIES
6. SAID SULEIMAN	512,200	MAY 2021	NIL	512,200	512,200	SUPPLY OF FOODSTUFFS
7. MESMIRI LIMITED	60,000	FEBRUARY 2021	NIL	60,000	60,000	SUPPLY OF FIREWOOD
8. MULWA CEREALS & GEN STORE	2,278,843	1 <sup>ST</sup> JANUARY 2021	888,127	1,391,077	1,391,077	SUPPLY OF FOODSTUFFS
9. ENTRY BUTCHERY	880,860	1 <sup>ST</sup> JANUARY 2021	197,810	683,050	683,050	SUPPLY OF BEEF AND GROCERIES
10. D.K.L GENERAL STORE	160,500	1 <sup>ST</sup> JANUARY 2021	85,500	75,000	75,000	SUPPLY OF CLEANING DETERGENTS
11. BARANI BOOKS AND STATIONERY	1,637,160	1 <sup>ST</sup> JANUARY 2021	307,660	1,329,500	1,329,500	SUPPLY OF OFFICE STATIONERY
12. LIZAM ENTERPRISES	147,013	NOVEMBER 2020	NIL	147,013	147,013	SUPPLY OF LABORATORY EQUIP
13. HIGH MARK SERVICES	20,000	MARCH 2021	NIL	20,000	20,000	SUPPLY OF TRIAL EXAM
14. ROVE VERSALITE	30,000	APRIL 2020		30,000	30,000	SUPPLY OF LABORATORY EQUIP
<b>Sub-Total</b>	<b>6,696,736</b>		<b>1,751,097</b>	<b>4,946,000</b>	<b>4,946,000</b>	
<b>Supply of services</b>						
15. B.O.M TEACHERS	35,000	DECEMBER 2020	NIL	90,000	90,000	B.O.M TEACHERS SALARIES
16. SALCOMM INVESTMENT	45,000	JUNE 2021	NIL	45,000	45,000	NIGHT SECURITY SERVICES
<b>Sub-Total</b>	<b>743,664</b>		<b>0</b>	<b>135,000</b>	<b>135,000</b>	
<b>Grand Total</b>	<b>7,381,847</b>		<b>1,726,097</b>	<b>5,081,000</b>	<b>5,081,000</b>	

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> JAN 2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2021</b>
Land 1	<b>DONATION FROM THE COMMUNITY</b>	<b>KAKUYUNI</b>	<b>N/A</b>	<b>NIL</b>	<b>NIL</b>	<b>N/A</b>
Buildings and structures	<b>18 CLASSROOMS BUS SHED GREENHOUSE 2 LABORATORIES 2 DORMITORIES STAFF HOUSES WATERTANKS</b>	<b>KAKUYUNI</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
School Bus	<b>DONATED BY C D F</b>	<b>KAKUYUNI</b>	<b>N/A</b>	<b>NIL</b>	<b>NIL</b>	<b>64,000</b>
Office equipment, furniture and fittings	<b>420 LOCKERS 420 CHAIRS 18 BENCHES 18 TABLES LABORATORY STOOLS</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
ICT Equipment, and Other ICT Assets	<b>3 COMPUTERS 3 PRINTERS 1 PHOTOCOPIER</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Tools and apparatus	<b>18 SLASHERS</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Other Machinery and Equipment	<b>ENERGY SAVING JIKO</b>	<b>N/A</b>	<b>270,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Intangible assets- soft ware	<b>SCHACCS &amp; ZERAKI</b>		<b>310,000</b>			<b>296,000</b>
<b>Total</b>			<b>580,000</b>			

