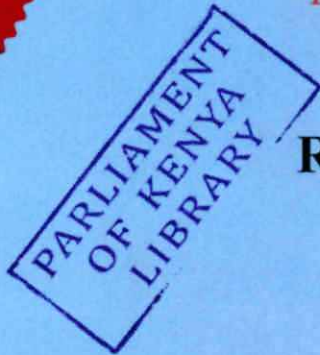


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

|                                      |                                                                          |
|--------------------------------------|--------------------------------------------------------------------------|
| THE NATIONAL ASSEMBLY<br>PAPERS LAID |                                                                          |
| DATE: 04 MAR 2025                    | DAY:                                                                     |
| TABLED BY:                           | Deputy chief whip - Majority party<br>Hon. Naomi Jillo<br>Benson Inzofu. |

**ON**

**BISHOP ABIERO SHAURIMOYO  
SECONDARY SCHOOL**

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

**KISUMU COUNTY**

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



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**BISHOP ABIERO SHAURIMOYO SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2021**

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

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|                                                                                                          | Page |
|----------------------------------------------------------------------------------------------------------|------|
| <b>Table of Contents</b>                                                                                 |      |
| 1. <u>Acronyms and Glossary of Terms</u> .....                                                           | ii   |
| 2. <u>Key School Information and Management</u> .....                                                    | iii  |
| 3. <u>Summary Report of Performance of The School</u> .....                                              | viii |
| 4. <u>Statement of School Management Responsibility</u> .....                                            | xii  |
| 5. <u>Report Of The Independent Auditors (To be attached)</u> .....                                      | xiii |
| 6. <u>Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2021</u> .....          | 1    |
| 7. <u>Statement of Assets and Liabilities As At 30<sup>th</sup> June 2021</u> .....                      | 3    |
| 8. <u>Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2021</u> .....                     | 4    |
| 9. <u>Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2021</u> ..... | 6    |
| 10. <u>Significant Accounting Policies</u> .....                                                         | 13   |
| 11. <u>Notes To The Financial Statements</u> .....                                                       | 15   |
| 12. <u>Annexes</u> .....                                                                                 | 27   |

**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  |                                                  |

**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 Kisumu County, Kisumu Central Sub-County.

The school was registered in 1<sup>st</sup> March 2011 under registration number PU/S/2/5663/11 and is currently categorized as a Sub-County public school established, owned or operated by the Government.

The school is a day/boarding school and had 665 number of students as at 30<sup>th</sup> June 2021. It has 3 streams and 37 teachers of which 8 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    | Rev. Fredrick Ochieng  | Chairman              | 5 <sup>th</sup> March 2019     |
| 2    | Mrs. Oboro Dinnah      | Secretary - Principal | 5 <sup>th</sup> March 2019     |
| 3    | Lebaus Onyango         | Member                | 5 <sup>th</sup> March 2019     |
| 4    | Faith Yoweri           | Member                | "                              |
| 5    | Easter Oketch          | Member                | "                              |
| 6    | Bishop George Okwach   | Member                | "                              |
| 7    | Grace Otieno           | Member                | "                              |
| 8    | Angelica Ouya          | Member                | "                              |
| 9    | Evalyne Ongeru         | Member – Rep MP       | "                              |
| 10   | Mrs. Omogi Jane        | Member – Rep CEB      | "                              |
| 11   | Mrs. Odhiambo Mariam   | Member Rep Teachers   | "                              |
| 12   | Clementine Gwaswor     | 3 Members - Sponsor   | "                              |
|      | Anne Ombewa            |                       | "                              |
|      | Susan Karanja          |                       | "                              |
| 13   | Mr. Fredrick Ragot     | Member - Community    | "                              |
| 14   | Mr. Otieno Nick Adwart | Member Special Needs  | "                              |
| 15   | Brenda Awuor           | Rep Students          | 3 <sup>rd</sup> September 2021 |



**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                                 | Rev. Fredrick Ochieng<br>Mrs. Karanja Susan<br>Mrs. Odhiambo Martha<br>Mrs. Gworswar Clementine<br>Mr. Oguta Kennedy | Chair<br>Member<br>Member<br>Member<br>Secretary | 3 out of 3                                  |
| 2    | Audit Committee                                     | Ms. Yoweri Faith<br>Mrs. Gworswar Clementine<br>Ragot Fredrick                                                       | Chair<br>Member<br>Member                        | 1 out of 1                                  |
| 3    | Finance, procurement and general purposes Committee | Mr. Khan Aslam<br>Mrs. Odhiambo Martha<br>Mrs. karanja Susan<br>Mrs. Oboro Dinnah                                    | Chair<br>Member<br>Member<br>Secretary           | 1 out of 1                                  |
| 4    | Academic Committee                                  | Mrs. Ouya Angelica<br>Mrs. Odhiambo Martha<br>Mr. Ragot Fredrick<br>Mrs. Odhiambo Mariam                             | Chair<br>Member<br>Member<br>DOS                 | 1 out of 1                                  |
| 6    | Discipline and welfare Committee                    | Mr. Oduka Tom<br>Mrs. Ombewa Anne<br>Mrs. Odhiambo Martha                                                            | Chair<br>Member<br>Member                        | 0 out of 0                                  |
| 7    | Adhoc Committee (if any during the year)            |                                                                                                                      |                                                  |                                             |



**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 20XX the School day-to-day management was under the following persons:

| Ref: | Designation      | Name               | Identification |
|------|------------------|--------------------|----------------|
| 1    | Principal        | Mrs. Oboro Dinnah  | TSC No.311376  |
| 2    | Deputy Principal | Mr. Oduka Tom      | TSC No. 387176 |
| 3    | School Bursar    | Mr. Osoro Alliance | ID No.30380738 |

**(e) Schools contacts**

Post Office Box: 1691, Kisumu  
Telephone: 0202422599  
E-mail: bishopabieroshaurimoyo2015@yahoo.com

**School Bankers**

Provide details of the school bankers.

1. Name of Bank: Co-operative Bank  
Branch: Kisumu Branch  
Account Number: 01139766753500
2. Name of Bank: Co-operative Bank (CDF)  
Branch: Kisumu Branch  
Account Number: 01139295151000
3. Name of Bank: Co-operative Bank (Operation Acc.)  
Branch: Kisumu Branch  
Account Number: 01139295151001
4. Name of Bank: Co-operative Bank (Tuition Acc.)  
Branch: Kisumu Branch  
Account Number: 01139295151002
5. Name of Bank: Co-operative Bank (MIF Acc.)  
Branch: Kisumu Branch  
Account Number: 01139295151003

**(f) Independent Auditors**

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

**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*

| <b>YEAR</b> | <b>SURPLUS</b> | <b>DEFICIT</b> |
|-------------|----------------|----------------|
| 2021        | 0              | (648,906.00)   |
| 2020        | 2,277,008.60   | 0              |
| 2019        |                | (9,083.90)     |

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

| <b>YEAR</b> | <b>OPERATION A/C</b> | <b>TUITION A/C</b> |
|-------------|----------------------|--------------------|
| 2021        | 12,062,654.10        | 2,320,484.25       |
| 2020        | 11,242,002.00        | 1,566,128.00       |
| 2019        | 10,588,512.90        | 2,239,131.40       |

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

| <b>YEAR</b> | <b>GROWTH</b> |
|-------------|---------------|
| 2021        | 0             |
| 2020        | 0             |
| 2019        | 0             |

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

| <b>YEAR</b> | <b>EXPENDITURE</b> |
|-------------|--------------------|
| 2021        | 11,951,229         |
| 2020        | 8,747,973.45       |
| 2019        | 15,558,721.10      |

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

| <b>YEAR</b> | <b>DEBTORS</b> | <b>CREDITORS</b> |
|-------------|----------------|------------------|
| 2021        | 306,266        | 639,904.00       |
| 2020        | 1,371,478      | 270,343.00       |
| 2019        | 1,172,156      | 1,514,515.00     |

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

*Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).*

**b) Teacher Student ratio:**

Teacher to student ratio

1.30

| Teachers recruited | Teachers transferred | Teachers employed | Retired | Employed by T.S.C | Employed by B.O.M |
|--------------------|----------------------|-------------------|---------|-------------------|-------------------|
| None               | None                 |                   | None    | None              | 8 teachers        |

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

| Subject                                 | 2021          |          | 2020          |          | 2019         |          |
|-----------------------------------------|---------------|----------|---------------|----------|--------------|----------|
|                                         | M.S           | M.G      | M.S           | M.G      | M.S          | M.G      |
| Geography                               | 4.7174        | C-       | 7.2941        | C+       | 5.27         | C-       |
| Homescience                             | 4.25          | D+       |               | C        |              |          |
| Hist & Govt                             | 4.2047        | D+       | 5.6148        | B-       | 4.14         | D+       |
| Agriculture                             | 3.889         | D+       | 7.6809        | D+       | 3.90         | D+       |
| English                                 | 3.5991        | D+       | 4.3725        | D+       | 4.78         | C-       |
| C.R.E                                   | 3.5879        | D+       | 3.9104        | D+       | 5.05         | C-       |
| Kiswahili                               | 3.033         | D        | 3.4444        | D        | 3.35         | D        |
| B/Studies                               | 2.7671        | D        | 5.5           | D        | 2.98         | D        |
| Physics                                 | 24.878        | D-       | 4.2667        | D-       | 3.13         | D        |
| Biology                                 | 2.4151        | D-       | 2.3987        | D-       | 2.49         | D-       |
| Mathematics                             | 1.934         | D-       | 1.8235        | D-       | 2.12         | D-       |
| Chemistry                               | 1.622         | D-       | 1.8301        | D-       | 2.11         | D-       |
| <b>School mean score and mean grade</b> | <b>30,094</b> | <b>D</b> | <b>3.6405</b> | <b>D</b> | <b>3.488</b> | <b>D</b> |

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

*(Tabulation of the number of candidates sitting for KCSE over the last three years).*

| <b>YEAR</b> | <b>NO. OF CANDIDATES</b> |
|-------------|--------------------------|
| 2021        | 212                      |
| 2020        | 153                      |
| 2019        | 123                      |

**e) Capacity of the school:**

Indicate the number of students on the school vis a vie the facilities like the dormitories, the dining hall , the laboratories, toilets and other amenities. This information will provide useful details for the ministry of education.

| <b>FACILITIES</b> | <b>NO. OF STUDENTS</b> | <b>NO. OF FACILITIES</b> | <b>REMARK</b>                                 |
|-------------------|------------------------|--------------------------|-----------------------------------------------|
| Dormitories       | 665                    | 0                        | Full day                                      |
| Dining hall       | 665                    | 0                        | In the plan                                   |
| Laboratory        |                        | 1<br>1                   | Improvised Classroom<br>Construction on going |
| Library           | 665                    | Book store               | insufficient                                  |
| Toilet            | 665                    | 32                       | Well maintained                               |
| Football pitch    | 665                    | 1                        | N/A                                           |
| Volleyball pitch  | 32                     | 1                        | Improvised                                    |
| Netball pitch     |                        | 0                        |                                               |
|                   |                        |                          |                                               |

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

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

*The following are development projects carried out in the year and ongoing projects including a disclosure of project fund source.*

| Projects | Source of funds | Status   | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time |
|----------|-----------------|----------|---------------------|---------------------|--------------------------|
| TOILET   | MOEST           | Complete | 2,500,000           | 1,979,310           | 2021                     |
|          |                 |          |                     |                     |                          |
|          |                 |          |                     |                     |                          |
|          |                 |          |                     |                     |                          |
|          |                 |          |                     |                     |                          |
|          |                 |          |                     |                     |                          |

..... 

**School Principal**

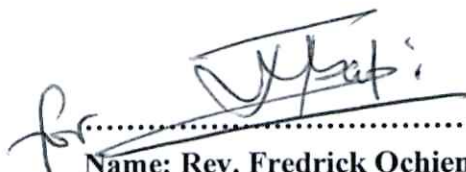
**Statement of School Management Responsibility**

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

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

The Board of Management of (*Bishop Abiero Shaurimoyo 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: Rev. Fredrick Ochieng**  
**Designation: Chairman, School Board of Management**  
**Date: 22/07/2021**.....

  
.....

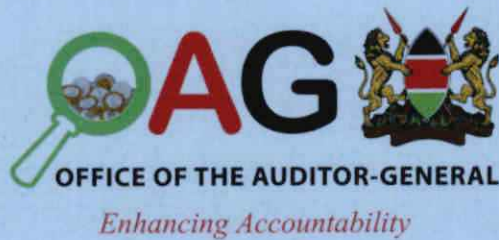
**Name: Mrs. Oboro Dinnah**  
**Designation: School Principal & Secretary to Board of Management**  
**Date: 21.07.2021**.....

  
.....

**Name: Allance Osoro**  
**Designation: Bursar/ Finance Officer**  
**Date: 21.07.2021**.....

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON BISHOP ABIERO SHAURIMOYO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - KISUMU COUNTY**

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Adverse Opinion**

I have audited the accompanying financial statements of Bishop Abiero Shaurimoyo Secondary School - Kisumu County set out on pages 1 to 26, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Bishop Abiero Shaurimoyo Secondary School - Kisumu County as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Adverse Opinion**

### **1. Lack of Trial Balance**

The financial statements presented for audit were not accompanied by a trial balance. This is contrary to Regulations 57(2) of the Public Finance Management (National Governments) Regulations, 2015 which states that before embarking on accounting entries and other adjustments to reflect the changes in Paragraph (1), it shall be necessary to agree on the actual status of the vote in respect of the following aspects of the affected functions and services based on the ledger balances of a trial balance.

In the circumstances, the validity, accuracy and completeness of the balances presented in the financial statements and notes to the financial statements could not be confirmed.

### **2. Accounts Receivables**

#### **2.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.306,000 in respect of fee arrears and as disclosed in Note 11 to the financial statements. However, review of Note 15 to the financial statement revealed fee arrears for previous years of Kshs.1,371,478 and Kshs.1,172,156 totalling to Kshs.2,543,634 which were not included as receivables in Note 13. Further, the supporting schedule with students' details and dates the fees arrears were incurred were not provided for audit. The Management did not prepare an ageing analysis to assess the status of outstanding fees owed to the School by students and the length of time they had remained outstanding. In addition, significant accounting policies on accounts receivables as disclosed in Note 5 is silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.306,000 could not be confirmed.

## **2.2 Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.306,000 in respect of fee arrears and as disclosed in Note 11 to the financial statements. However, review of Note 15 to the financial statement revealed fee arrears for previous years of Kshs.1,371,478 and Kshs.1,172,156 totalling to Kshs.2,543,634 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs. 2,543,634 could not be confirmed.

## **3. Accounts Payables**

### **3.1 Unsupported Accounts Payable**

The statements of financial assets and liabilities reflects accounts payable balance of Kshs.1,256,252 which includes balances of Kshs.941,042 and Kshs.315,210 in respect of trade creditors and prepaid fees respectively and as disclosed in Note 13 to the financial statements. However, the supporting documents including ledger schedule with detailed list of the suppliers, invoices, delivery notes, local service or local purchase order numbers, interim or completion certificates for the works done, issues and receipts vouchers and the dates when the bills were incurred to confirm the validity of the payables. Further, details of prepaid fees of Kshs.315,210 were not provided for review. The Management did not prepare an ageing analysis to assess the status of outstanding balances due to the trade creditors and the length of time they had remained outstanding. In the circumstances, the accuracy and completeness of trade payables balance of Kshs.1,256,252 could not be confirmed.

## **4. Cash and Cash Equivalents**

### **4.1 Undisclosed and Unsupported Bank Balances**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.718,706 which includes balances of Kshs.639,613 and Kshs.79,093 in respect of bank balance and cash in hand respectively and as disclosed in Note 8 and Note 9 to the financial statements. However, review of bank account register and preamble information to the financial statements in respect of school bankers revealed that one bank accounts held in local banks was not disclosed in the financial statements. Further, cash books, certificate of bank balances and bank reconciliation statements in respect of the bank accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.718,706 could not be confirmed.

### **4.2 Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.718,706 which includes balances of Kshs.639,613 and Kshs.79,093 in respect of bank balance and cash in hand respectively and as disclosed

in Note 8 and Note 9 to the financial statements. The bank balance of Kshs.639,613 were in respect of four (4) bank accounts which were at variance with balance of Kshs.1,138,262 as disclosed in Note 10 to the financial statements resulting to unexplained and unreconciled variance of Kshs.419,556. Further, the bank balances were not supported with certificate of bank balances, cash books bank statements and bank reconciliation statements. In addition, the cash in hand balance of Kshs.79,093 was not supported with board of cash survey report.

In the circumstances, accuracy and completeness of cash and cash equivalents balance of Kshs.718,706 could not be confirmed.

#### **5. Unsupported Capitation Grants**

The statement of receipts and payments reflects an amount of Kshs.1,051,209 and Kshs.6,583,053 in respect of capitation grants for tuition and operations and as disclosed in Note 1 and 2 to the financial statements. However, supporting documents including NEMIS student data and acknowledgment receipts, school student enrolment registers and bank statements were not provided for audit review.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of amounts of Kshs.1,051,209 and Kshs.6,583,053 could not be confirmed.

#### **6. Unsupported School Fund Account-Other Receipts**

The statement of receipts and payments reflects an amount of Kshs.3,719,519 in respect of school fund account - other receipts and as disclosed in Note 3 to the financial statements. However, supporting schedules including official receipts statements and bank statements were not provided for audit review.

In the circumstances, the accuracy and completeness of parent's contributions/fees - school fund account of an amount of Kshs.3,719,519 could not be confirmed.

#### **7. Unsupported Parents Contribution/Fees-School Fund Account**

The statement of receipts and payments reflects an amount of Kshs.121,131 in respect of school fund account - parent's contributions/fees and as disclosed in Note 4 to the financial statements. However, supporting schedules including student fee receipts statements and bank statements were not provided for audit review.

In the circumstances, the accuracy and completeness of school fund account - parent's contributions/fees of an amount of Kshs.121,131 could not be confirmed.

#### **8. Unsupported Payments for Tuition**

The statement of receipts and payments reflects an amount of Kshs.1,051,689 in respect of payments for tuition and as disclosed in Note 5 to the financial statements. However, the schedule schedules provided did not include the details of payments as per cash book such as date, payment voucher no, payee, cheque number, vote head and amount. Further, Management made payments without proper support documents such as

requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the accuracy and completeness of for tuition of an amount of Kshs.1,051,689 could not be confirmed.

#### **9. Unsupported Payments for Operations**

The statement of receipts and payments reflects an amount of Kshs.6,785,461 in respect of payments for operations and as disclosed in Note 6 to the financial statements. However, the schedule schedules provided did not include the details of payments as per cash book such as date, payment voucher no, payee, cheque number, vote head and amount. Further, Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the accuracy and completeness of boarding and school fund payments of an amount of Kshs.6,785,461 could not be confirmed.

#### **10. Unsupported Boarding and School Fund Payments**

The statement of receipts and payments reflects an amount of Kshs.3,881,265 in respect of boarding and school fund payments and as disclosed in Note 7 to the financial statements. However, the schedule schedules provided did not include the details of payments as per cash book such as date, payment voucher no, payee, cheque number, vote head and amount. Further, Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the accuracy and completeness of boarding and school fund payments of an amount of Kshs.3,881,256 could not be confirmed.

#### **11. Unsupported Payments for Repairs and Maintenance and Improvement**

The statement of receipts and payments reflects payments for operations of an amount of Kshs.6,785,461 which include an amount of Kshs.2,548,000 in respect of repairs and maintenance and improvement and as disclosed in Note 6 to the financial statements. However, supporting documents including Bills of Quantities of works done, payment vouchers, procurement records, certificate of inspection and acceptance and certificates of works completed were not provided for audit review.

In the circumstances, the accuracy and completeness of repairs and maintenance and improvement payments of an amount of Kshs.2,548,000 could not be confirmed.

#### **12. Unsupported Personnel Emoluments**

The statement of receipts and payments reflects payments for operations of an amount of Kshs.6,785,461 which include an amount of Kshs.1,226,239 in respect of personnel

emoluments and as disclosed in Note 6 to the financial statements. However, supporting documents including payrolls and approved staff establishment were not provided for audit.

In the circumstances, the accuracy and completeness of personnel emoluments expenditure of Kshs.1,226,239 could not be confirmed.

### **13. Unsupported Bank Loan**

Review of other important disclosure reflects borrowing balance of Kshs.1,169,252 in respect of bank loan balance and as disclosed in Note 19 to the financial statements. However, the supporting documents including approval authorities from Ministry of Education, Board of Management approval minutes, loan contract agreement, bank statement and loan repayment schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of the bank loan balance of Kshs.1,169,252 could not be confirmed.

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

#### **14.1 Statement of Receipts and Payments**

Statement of receipts and payments reflects total receipts of payments of an amount of Kshs.11,474,912 which includes an amount of Kshs.3,719,519 in respect of school fund income - other receipts and as disclosed in Note 3 to the financial statement. However, review of Note 3 revealed an amount of Kshs.2,902,674 resulting to unexplained and unreconciled variance of Kshs.816,845.

In the circumstances, the accuracy and completeness of amounts in the statement of receipts and payments could not be confirmed.

#### **14.2 Statement of Assets and Financial Liabilities**

##### **14.2.1 Inaccuracy in Surplus Balance**

The statement of financial assets and financial liabilities reflects net financial position balances of Kshs.3,070,474 which includes balances of Kshs.99,736 and Kshs.2,970,737 in respect of accumulated fund brought forward and surplus/deficit respectively. However, review of the statement of receipts and payments reflects negative amount of Kshs.243,503 in respect of surplus resulting to unexplained and unreconciled variance of Kshs.2,727,234 and re-calculated net position of Kshs.143,767.

##### **14.2.2 Unbalanced Statement of Assets and Financial Liabilities**

The statement of financial assets and financial liabilities reflects balances of Kshs.609,474 in respect of net financial assets which is at variance with balance of Kshs.3,070,474 in respect of net financial position resulting to an unexplained and unreconciled variance of Kshs.2,641,000.

In the circumstances, the accuracy and completeness of balances in the statement of assets and liabilities could not be confirmed.

### 14.3 Statement of Cash Flows

#### 14.3.1 Inaccuracies in the statement.

The statement of cash flows reflects cash and cash equivalents balance of Kshs.2,970,737 which is at variance with the balance reported in the statement of financial assets and financial liabilities balance of Kshs.718,706 resulting to unexplained and unreconciled variance of Kshs.2,252,031.

#### 14.3.2 Variance Between amounts in the Statements of Receipts and Payments and The Statement of Cash Flows

The financial statements presented for audit reflects seven (7) items in the cash flows statements which were at variance with those reflected in the statement of receipts and payments as detailed below:

|                                          | Statements of Receipts and Payments (Kshs.) | Statements of Cash Flows (Kshs.) | Variance (Kshs.)   |
|------------------------------------------|---------------------------------------------|----------------------------------|--------------------|
| Government Grants for Tuition            | 1,051,209                                   | 1,150,209                        | (99,000)           |
| School Fund Income - Other Receipts      | 3,719,519                                   | 4,019,650                        | (300,131)          |
| School Fund Income-Parents Contributions | 121,131                                     | 2,902,674                        | (2,781,543)        |
| <b>Total Receipts</b>                    | <b>11,474,912</b>                           | <b>14,655,587</b>                | <b>(3,180,675)</b> |
| Payments for Tuition                     | 1,051,689                                   | 1,020,124                        | 31,565             |
| Payments for Operations                  | 6,785,461                                   | 6,783,461                        | 2,000              |
| <b>Total Payments</b>                    | <b>11,718,415</b>                           | <b>11,684,850</b>                | <b>53,565</b>      |

### 14.4 Statement of Budgeted versus Actual Amounts

The statement of budgeted versus actual amounts reflects final income budget and actual on a comparable basis of Kshs.38,507,109 and Kshs.17,074,089 resulting to underfunding of an amount of Kshs.21,433,020 respectively. The statement also reflects final expenditure budget and actual on a comparable basis of Kshs.16,550,000 and Kshs.12,768,978 resulting to under-expenditure of an amount of Kshs.3,784,808 respectively. However, re-casting the accuracy of the statement revealed actual income, budgeted expenditure and actual expenditure amounts of Kshs.31,816,638, Kshs.20,694,000 and Kshs.15,403,122 respectively resulting to unreconciled variance of Kshs.14,742,542, Kshs.4,144,000 and Kshs.2,634,144 respectively. The re-calculated amounts results to underfunding and under-utilization of Kshs.6,690,471 and Kshs.5,290,878 resulting to unexplained and unreconciled variance of Kshs.14,742,549 and Kshs.1,506,070.

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

#### **14.5 Fund Balance Brought Forward**

The statement of financial assets and financial liabilities reflects balance of Kshs.99,736 in respect of fund balance brought forward and as disclosed in Note 13 to the financial statements. However, the balance included receivables and payables and the bank and cash balances which were not disclosed as comparatives and not supported with certificate of bank balance, bank reconciliations and board of cash survey report. Further, Note 18 supporting the balance revealed an amount of Kshs.535,040 resulting to unexplained and unreconciled variance of Kshs.435,304.

In the circumstances, the accuracy and completeness of fund balance brought forward of Kshs.99,736 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bishop Abiero Shaurimoyo Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse 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.38,507,109 and Kshs.17,074,089 respectively resulting to underfunding of an amount of Kshs.21,433,020 or 56% of the budget. However, the School spent a balance of Kshs.12,768,978 against actual receipts of Kshs.17,074,089 resulting to an under-utilization of Kshs.4,305,111 or 25% of actual receipts.

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

#### **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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on

Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Over-Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure of amounts of Kshs.1,051,689 and Kshs.6,785,461 respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, National Education Management and Information System (NEMIS) reported a total number of eight hundred and twelve (812) students while the enrolment records provided by the School indicated a total number of six hundred and sixty-five (665) students, resulting to an unexplained variance of one hundred and forty-seven (147) students. As a result of the variances, the School was over-funded by an amount of Kshs.1,408,207.

In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

### **2. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.7,837,150 and as disclosed in Note 1 and 2 to the financial statements. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year/period 2020/2021, NEMIS reflected eight hundred and twelve (812) students while records from the County Director of Education had six hundred and fifty-five (655) students, resulting to an over-funding of the School by an amount of Kshs.1,408,207. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

### **3. Excess Supply of Books**

During the year/period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed three thousand nine hundred and ninety-two (3,992) books to the School while only three thousand seven hundred and twenty-eight (3,728) books were issued to the students, resulting to an unexplained excess text books of two hundred and sixty-four (264) books in the School store.

In the circumstances, value for money on the excess two hundred and sixty-four (264) text books could not be confirmed.

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

During the year/period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation. Further, physical verification of the dormitories within the School revealed that they were overcrowded and therefore do not meet the requirements of Regulation 83(k) which requires the space between beds to be at least 1.2 meters for institutions with boarding facilities

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

#### **5. Failure to Transfer Infrastructure Funds**

The statement of receipts and payments reflects capitation grants for operations of Kshs.6,583,053 which includes an amount of Kshs.2,548,000 in respect of maintenance and improvement funds and as disclosed in Note 2 to the financial statements. However, review of the operations accounts revealed that total amount of Kshs.3,223,500 was received in respect of infrastructure funds but only Kshs.2,548,000 was transferred to the school infrastructure account resulting to an unexplained difference of Kshs.675,000. This was contrary Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which states that that 'infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account'.

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

#### **6. Lack of Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.11,474,912 and Kshs.11,718,415 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

#### **7. Irregular Procurement of Construction of Laboratory and 10 No. Doors Latrines**

The statement of receipts and payments reflects payments for operations of an amount of Kshs.6,785,461 which includes an amount of Kshs.2,548,000 in respect of

maintenance and improvement funds and as disclosed in Note 6 to the financial statements. Review of the financial records revealed that the payments were in respect of the construction of laboratory and 10 No. doors latrines. However, the procurement was done by the Board of Management contrary to Sections 46, 78 and 84 of the Public Procurement and Assets Disposal Act of 2015. Further, review of the infrastructure committee minutes revealed that poor workmanship was noted in respect of the construction of laboratory building which resulted to the demolishing and rebuilding the laboratory slab. In addition, reports from the Ministry of Public works in relation to the demolition and recommendations, resumption of works on re-building the laboratory, contract agreement and interim payment certificate were not provided for audit review.

In the circumstances, value for money on the construction of the laboratory and the 10-door latrine could not be confirmed.

### **8. Irregular Cash Payments**

The statement of receipts and payments reflects boarding and school fund payments of an amount of Kshs.3,881,265 which includes an amount of Kshs.3,504,503 in respect of lunch programme and as disclosed in Note 7 to the financial statements. However, review of the payment vouchers revealed that the payments were made in cash. This was contrary to the Public Procurement and Asset Disposal Regulations, 2020 which allows expenditure under low value procurement under Section 107 of the Public Procurement and Asset Disposal Act, 2015 to an amount of Kshs.50,000 per item per financial year. Further, the expenditure was not supported with counter receipt vouchers and store ledger record.

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

### **9. Failure to Maintain Complete Fixed Asset Register**

Review of Annex 2 to the financial statements in respect to summary of fixed assets register of the balance of Kshs.12,306,927. However, the fixed assets register provided for audit review did not include classes of assets separately, date of acquisition, supplier, condition, and price in Kenya shillings. Further, buildings, land, school desks and chairs were not included and the title deed for the school land was not provided for audit review. In addition, laptops, fridge, TV, cooker, UPS, photocopier machine, desktop computer did not have serial numbers recorded in the assets register. This was contrary to Regulations 143(1)(2) of the of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent Management details'.

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

## **10. Unapproved Budget**

The budget amounts presented in the statement of budgeted versus actual amounts were not supported by approved budget. This was contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations. (2) The Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his National Government entity during the financial year and the estimates are submitted to The National Treasury in the manner and format to be issued by the Cabinet Secretary'.

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

## **11. Budget Imbalance**

The statement of budgeted versus actual amounts reflects a final income budget of Kshs.38,507,109 and final expenditure budget of Kshs.16,550,000 resulting to a difference of Kshs.21,957,109. The budget imbalance is contrary to the provisions of Section 33(c) of the Public Finance Management (National Governments) Regulations, 2015, which states that budget revenue and expenditure appropriation shall be balanced

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

## **12. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for School and the change from calendar year to Government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering financial year 2020-2021 without comparative balances for financial year 2019-2020 and any disclosure in the financial statements. Therefore, the financial statements have not been prepared for eighteen (18) months as prescribed in the Public Sector Accounting Standards Board (PSASB).

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In addition, review of the annual report and financial statements submitted for audit review revealed the following anomalies:

- i. The financial statement is presented for the year ended 30 June, 2021 instead for the period ended 18 months from January, 2020.
- ii. The school operations management report is presented t for the year ended 30 June, 20xx.
- iii. The balances included in the summary report on the preamble information on page ix are not consistent with the balances in the financial statements.
- iv. Dates when the financial statements were approved not indicated on the financial statements.
- v. Note 1 to 12 were not indicated in the corresponding notes.

In the circumstances, Management did not comply with guidelines issued by Public Sector Accounting Standards Board (PSASB).

### **13. Late Submission of Financial Statements to the Auditor-General**

The financial statements for Bishop Abiero Shaurimoyo School for the period ended 30 June, 2021 were submitted to the Auditor-General for audit on 09 May, 2024, a delay of twenty-eight (28) months after the end of the fiscal year to which the accounts relate. This is contrary to Section 47 of the Public Audit Act, 2015 which states that 'the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate'.

The Management was therefore in breach of the law.

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Internal Audit Function and Audit Committee (Internal Controls, Risk Management and Governance)**

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

### **2. School's Board of Management**

Review of Board minutes and governance structure for the School revealed that the Management failed to establish finance, procurement and general purposes committee to provide strategic guidance on public finance management matters as required by 61(2) of the Basic Education Act, 2013. Further, the annual work plan and the appointment letters for the Board members were not provided for audit.

In the circumstances, the effectiveness of internal controls and governance provision of strategic guidance on public finance Management in the School could not be confirmed.

### **3. Lack of Risk Management Policy and IT Policy**

Review of the documents provided for audit revealed that the School Management had not established a Risk Management Policy to guide on the development of risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations'. In addition, the School did not approved Information Technology Policy for governance and management of its ICT resources.

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

### **4. Lack of Insurance Cover for Assets**

Review of the financial statements and assets records revealed that the School Management did not have insurance cover for its assets and equipment's.

In the circumstances, the School is exposed to losses without compensation in case of fire, theft or any other unforeseen calamities.

### **5. Weak Human Resource Management Practices**

Review of personnel records show that the school does not have in place a human resource policy, an approved salary structure, an approved scheme of service for its staff,

defined job categories by profession, qualifications and experience, career progression and conditions of progression. In the absence of the scheme of service, it was not possible to ascertain how recruitments, promotion and rewards of staff were determined. This has the effect of creating unfair human resource practices affecting employee's morale negatively.

In addition, the payrolls were maintained in excel format which can be altered without a trail. The payrolls do not include Personal numbers, date of employment, date of retirement and job grade of the employees.

In the circumstances, the regularity of personnel emoluments could not be confirmed.

## **6. Management of Scholarship and Bursaries**

During the year under review, the School's management did not maintain a complete list of students issued with bursaries/scholarships indicating the admission numbers and financiers/donors. Further, School's manual enrolment register for the period under review revealed inconsistencies between the number of students captured in the two (2) registers with the number of students captured in NEMIS being less than the number in the School's manual register.

In the circumstances, effectiveness of controls over management of student enrolment could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing and as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, SBS  
AUDITOR-GENERAL

Nairobi


13 January, 2025

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

**Statement of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2021**

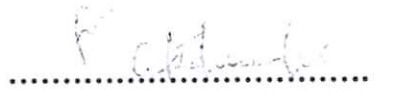
| Description Of Vote Head                   | Note | 2020-2021         | 2019 - 2020 |
|--------------------------------------------|------|-------------------|-------------|
|                                            |      | Kshs              | Kshs        |
| <b>RECEIPTS</b>                            |      |                   |             |
| Government grants for tuition              | 1    | 1,051,209         | -           |
| Government grants for operations           | 2    | 6,583,053         | -           |
| School Fund income – Other receipts        | 3    | 3,719,519         | -           |
| School fund income- parents' contributions | 4    | 121,131           | -           |
| <b>TOTAL RECEIPTS</b>                      |      | <b>11,474,912</b> | <b>-</b>    |
| <b>PAYMENTS</b>                            |      |                   |             |
| Tuition                                    | 5    | 1,051,689         | -           |
| Operations                                 | 6    | 6,785,461         | -           |
| Boarding and school fund                   | 7    | 3,881,265         | -           |
| <b>TOTAL PAYMENTS</b>                      |      | <b>11,718,415</b> | <b>-</b>    |
| <b>SURPLUS/DEFICIT</b>                     |      | <b>(243,503)</b>  | <b>-</b>    |

The school financial statements were approved on 21<sup>st</sup> 7 2021 and signed by:

  
 Name: Rev. Fredrick O.

Chair BOM

Date: 21/7/21

  
 Name: Mrs. Oboro Dinnah  
 School Principal/ Secretary to  
 BOM

Date: .....

  
 Name: Mr. Osoro Allance

Bursar/ Finance Officer

Date: 21/07/2021

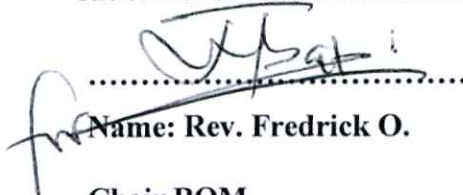
(Comparative FY refers to the financial year preceding the current financial year.)

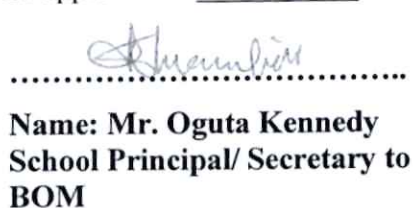
**BISHOP ABIERO SHAURIMOYO SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

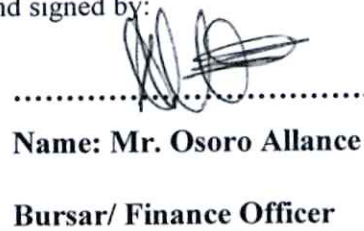
**Statement of Assets and Liabilities As At 30<sup>th</sup> June 2021**

| Description                           | Note | 2020-2021        | 2019 - 2020 |
|---------------------------------------|------|------------------|-------------|
|                                       |      | Kshs             | Kshs        |
| <b>Financial Assets</b>               |      |                  |             |
| <b>Cash and cash equivalents</b>      |      |                  |             |
| Bank balances                         | 8    | 639,613          |             |
| Cash balances                         | 9    | 79,093           |             |
| Short term investments                | 10   | -                |             |
| <b>Total cash and cash equivalent</b> |      | <b>718,706</b>   |             |
| Account's receivables                 | 11   | 306,266          |             |
| <b>Total financial assets</b>         |      | <b>1,024,972</b> |             |
| <b>Financial liabilities</b>          |      |                  |             |
| Accounts payables                     | 12   | 1,634,446        |             |
| <b>Net financial assets</b>           |      | <b>(609,474)</b> |             |
| <b>Represented by</b>                 |      |                  |             |
| Accumulated fund b/fwd                | 13   | 99,736           |             |
| Surplus/deficit for the year          |      | 2,970,737        |             |
| <b>Net financial position</b>         |      | <b>3,070,474</b> |             |
|                                       |      | 3,679,948        |             |

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

  
 Name: Rev. Fredrick O.  
 Chair BOM

  
 Name: Mr. Oguta Kennedy  
 School Principal/ Secretary to  
 BOM

  
 Name: Mr. Osoro Alliance  
 Bursar/ Finance Officer

Date: 22/7/21

Date:

Date: 21.07.2021

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

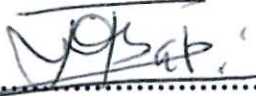
| Description                                               | Note | 2020-2021         | 2019 - 2020 |
|-----------------------------------------------------------|------|-------------------|-------------|
|                                                           |      | Kshs              | Kshs        |
| <b>Cash from Operating Activities</b>                     |      |                   |             |
| <b>Receipts</b>                                           |      |                   |             |
| Government grants for tuition                             | 1    | 1,150,209         |             |
| Government grants for operations                          | 2    | 6,583,054         |             |
| Government grants for infrastructure                      | 3    | 4,019,650         |             |
| School fund income- parents contributions/ fees           | 4    | 2,902,674         |             |
| Other income                                              |      | -                 |             |
| <b>Total receipts</b>                                     |      | <b>14,655,587</b> |             |
| <b>Payments</b>                                           |      |                   |             |
| Cash outflows for tuition                                 |      | 1,020,124         |             |
| Cash outflows for operations                              |      | 6,783,461         |             |
| Payments for infrastructure                               |      |                   |             |
| Cash outflows Boarding/lunch and school fund payments     |      | 3,881,265         |             |
| <b>Total payments</b>                                     |      | <b>11,684,850</b> |             |
| <b>Net cash inflow/outflow from operating activities</b>  |      | <b>2,970,737</b>  |             |
| <b>Cash flow from investing activities</b>                |      |                   |             |
| Acquisition of assets                                     |      | -                 |             |
| Proceeds from sale of Assets                              |      | -                 |             |
| Proceeds from investments                                 |      | -                 |             |
| Purchase of investments                                   |      | -                 |             |
| <b>Net cash inflow/outflows from investing activities</b> |      |                   |             |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>           |      | <b>2,970,737</b>  |             |
| <b>Cash flow from Financing activities</b>                |      |                   |             |
| Proceeds from borrowings/ loans                           |      | -                 |             |
| Repayment of principal borrowings                         |      | -                 |             |
| <b>Net cash inflow/outflow from financing activities</b>  |      |                   |             |
| <b>Net increase/decrease in cash and cash equivalents</b> |      |                   |             |
| Cash and cash equivalent at beginning of the year         |      | -                 |             |
| <b>Cash and cash equivalent at end of the year</b>        |      | <b>2,970,737</b>  |             |
|                                                           |      | 2,252,031         |             |

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

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

*(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 \_\_\_\_\_ 2021 and signed by:

*for*   
.....

**Name: rev. Fredrick O.**

**Chair BOM**

**Date:** 22/7/21

*for*   
.....

**Name: Mrs. Oboro Dinnah**  
**School Principal/ Secretary to BOM**

**Date:**

  
.....

**Name: Mr. Osoro Allance**

**Bursar/ Finance Officer**

**Date:** 21/7/2021

*(Comparative FY refers to the financial year preceding the current Financial year.)*

**BISHOP ABIERO SHAURIMOYO SEC. SCHOOL**

| Receipt/Expense Item                      | Original Budget<br>a | Adjustments                    |                                          | Final Budget<br>e=a+b | Actual on Comparable Basis<br>d | Budget Utilisation Difference<br>e=c-d | % of Utilisation<br>f=d/c % |
|-------------------------------------------|----------------------|--------------------------------|------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
|                                           |                      | Opening Balance (C/Bk) and ALA | Previous years Outstanding Disbursements |                       |                                 |                                        |                             |
| <b>RECEIPTS</b>                           |                      |                                |                                          |                       |                                 |                                        |                             |
| <i>(1) CAPITATION GRANT ON TUITION</i>    | 4,411,800.00         | 36,892.90                      | 0                                        | 4,448,692.90          | 2,659,027                       | 1,789,665.90                           | 60%                         |
| TOTAL                                     |                      |                                |                                          |                       |                                 |                                        |                             |
| <i>(2) CAPITATION GRANT ON OPERATIONS</i> | 4,411,800.00         | 36,892.90                      |                                          | 4,448,692.90          | 2,659,027.00                    | 1,789,665.90                           | 60%                         |
| Personnel emoluments                      | 2,700,000.00         |                                |                                          | 2,700,000.00          | 1,895,690.00                    | 804,310.00                             | 70%                         |
| Repairs and maintenance                   | 5,000,000.00         |                                |                                          | 5,000,000.00          | 4,214,000.00                    | 786,000.00                             | 84%                         |
| Local transport / travelling              | 1,500,000.00         |                                |                                          | 1,500,000.00          | 1,166,578.00                    | 333,422.00                             | 78%                         |
| Electricity and water                     | 1,400,000.00         |                                |                                          | 1,400,000.00          | 1,093,667.00                    | 306,333.00                             | 78%                         |
| Medical                                   | 650,000.00           |                                |                                          | 650,000.00            | 192,800.00                      | 457,200.00                             | 30%                         |
| Administration costs                      | 3,800,000.00         |                                |                                          | 3,800,000.00          | 3,135,188.00                    | 664,812.00                             | 83%                         |
| Activity fund                             | 1,500,000.00         |                                |                                          | 1,500,000.00          | 385,600.00                      | 1,114,400.00                           | 26%                         |
| SMASSE                                    | 200,000.00           |                                |                                          | 200,000.00            | -                               | 200,000.00                             | 0%                          |
| TOTAL                                     | 16,750,000.00        | 13,114.75                      |                                          | 16,750,000.00         | 12,083,523.00                   | 4,666,477.00                           | 72%                         |
| <i>(3) FEES CHARGED ON PARENTS</i>        |                      |                                |                                          |                       |                                 |                                        |                             |
| lunch programme                           | 17,260,611.65        | 47,804.05                      |                                          | 17,308,415.70         | 17,074,088.80                   | 234,326.90                             | 99%                         |
| TOTAL                                     |                      |                                |                                          |                       |                                 |                                        |                             |
| TOTAL INCOME                              | 38,422,412           | 47,804                         | 0                                        | 38,507,109            | 17,074,089                      | 21,433,019.80                          | 44%                         |
| <b>(1) EXPENDITURE FOR TUITION</b>        |                      |                                |                                          |                       |                                 |                                        |                             |
| Teaching/learning material                | 4,144,000            |                                |                                          | 4,144,000             | 2,634,144                       | 1,509,856.00                           | 64%                         |
| Repairs, maintenance and improvements     | 0                    |                                |                                          |                       |                                 |                                        |                             |
| Bank Charges                              |                      |                                |                                          |                       |                                 |                                        |                             |

|                                       |                      |                   |                     |                     |            |  |  |
|---------------------------------------|----------------------|-------------------|---------------------|---------------------|------------|--|--|
| Bank Charges                          |                      |                   |                     |                     |            |  |  |
| Loan Interest Repayment               |                      |                   |                     |                     |            |  |  |
| Loan Principal Repayment              |                      |                   |                     |                     |            |  |  |
| Acquisition of Assets                 |                      |                   |                     |                     |            |  |  |
| Other Payments                        |                      |                   |                     |                     |            |  |  |
| <b>TOTAL</b>                          | <b>4,144,000</b>     | <b>4,144,000</b>  | <b>2,634,144</b>    | <b>1,509,856.00</b> | <b>64%</b> |  |  |
| (2) EXPENDITURE FOR OPERATION         |                      |                   |                     |                     |            |  |  |
| Personnel emoluments                  | 2,700,000.00         | 3,287,441.00      | (587,441.00)        | 122%                |            |  |  |
| Repairs, maintenance and improvements | 5,000,000.00         | 4,214,000.00      | 786,000.00          | 84%                 |            |  |  |
| Local transport / travelling          | 1,500,000.00         | 1,361,625.00      | 138,375.00          | 91%                 |            |  |  |
| Electricity, water and conservancy    | 1,400,000.00         | 589,271.00        | 810,729.00          | 42%                 |            |  |  |
| Medical Expenses                      | 650,000.00           | -                 | 650,000.00          | 0%                  |            |  |  |
| Administration costs                  | 3,800,000.00         | 2,815,704.00      | 984,296.00          | 74%                 |            |  |  |
| Activity                              | 1,500,000.00         | 497,151.00        | 1,002,849.00        | 33%                 |            |  |  |
| Bank Charges                          | -                    | 3,786.00          | -                   |                     |            |  |  |
| SMASSSE                               | 200,000.00           |                   |                     |                     |            |  |  |
| Other Payments                        | -                    |                   |                     |                     |            |  |  |
| <b>TOTAL</b>                          | <b>16,750,000.00</b> | <b>16,550,000</b> | <b>3,784,808.00</b> |                     |            |  |  |

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

| Receipt/Expenses Item | Original Budget<br>a | Adjustments<br>b | Final Budget<br>c=a+b | Actual On Comparable Basis<br>d | Budget utilization difference<br>E=c-d | % Of Utilization<br>e=d/c % |
|-----------------------|----------------------|------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| Acquisition Of Assets | Kshs                 | Kshs             | Kshs                  | Kshs                            |                                        | Kshs                        |
| Totals                |                      |                  |                       |                                 |                                        |                             |

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

- i. All vote heads are under utilization due to covid pandemic which affected the normal school programme.
- ii. Due to less account period i.e. six months
- iii. Due to government delay of capitation.



### **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 30<sup>th</sup> June 2023.

**Notes To The Financial Statements**

**Government Grants for Tuition**

| <b>Description</b>            | <b>2020-2021</b>    | <b>2019 - 2020</b> |
|-------------------------------|---------------------|--------------------|
|                               | <b>Kshs</b>         | <b>Kshs</b>        |
| Reference Materials           |                     |                    |
| Exercise Books                |                     |                    |
| Laboratory Equipment          |                     |                    |
| Internal Exams                |                     |                    |
| Teaching / Learning Materials | 1,051,209.00        |                    |
| Bursary fund                  |                     |                    |
| <b>Total</b>                  | <b>1,051,209.00</b> |                    |

*\*Include others as per MOE circulars*

**Government Grants for Operations**

| <b>Description</b>           | <b>2020-2021</b>    | <b>2019 - 2020</b> |
|------------------------------|---------------------|--------------------|
|                              | <b>Kshs</b>         | <b>Kshs</b>        |
| Personnel Emoluments         | 1,800,818.00        |                    |
| Repairs And Maintenance      | 2,548,000.00        |                    |
| Local Transport / Travelling | 807,010.00          |                    |
| Electricity And Water        | 605,258.00          |                    |
| Medical                      |                     |                    |
| Administration Costs         | 821,967.00          |                    |
| Activity                     |                     |                    |
| Teachers welfare             |                     |                    |
| Tuition                      |                     |                    |
| Activity fund                |                     |                    |
| School fund                  |                     |                    |
| <b>Total</b>                 | <b>6,583,053.00</b> |                    |

*\*Include others as per MOE circulars*

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

**Government Grants for infrastructure**

| Description                      | 2020-2021           | 2019 - 2020 |
|----------------------------------|---------------------|-------------|
|                                  | Kshs                | Kshs        |
| Bursary fund                     | 24,500.00           |             |
| Maintenance & Improvement        | 2,548,000.00        |             |
| Transition infrastructure grants |                     |             |
| Administration Block             |                     |             |
| Economic stimulus grants         |                     |             |
| M & I Fund                       |                     |             |
| Operation acc.                   | 10,000.00           |             |
| LT&T                             |                     |             |
| County fund                      | 320,174.00          |             |
| <b>Total</b>                     | <b>2,902,674.00</b> |             |

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

| Description                | 2020-2021         | 2019 - 2020 |
|----------------------------|-------------------|-------------|
|                            | Kshs              | Kshs        |
| Prepayment                 | 66,412.00         |             |
| Fee on lunch programme     |                   |             |
| Tender                     | 1,000.00          |             |
| Local transport/travelling |                   |             |
| Electricity and water      |                   |             |
| Sponsorship                |                   |             |
| Bursary                    |                   |             |
| Refund                     |                   |             |
| Arrears                    | 53,719.00         |             |
| CDF                        |                   |             |
| Operation acc.             |                   |             |
| <b>Total</b>               | <b>121,131.00</b> |             |

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

**Miscellaneous Incomes**

| Description                          | 2020-2021 | 2019 - 2020 |
|--------------------------------------|-----------|-------------|
|                                      | Kshs      | Kshs        |
| Rent Income                          | 0         |             |
| Income From Farming Activities       | 0         |             |
| Insurance Compensation               | 0         |             |
| Income From Posho Mill               | 0         |             |
| Income From Bus Hire                 | 0         |             |
| Fee For Hire of Ground and Equipment | 0         |             |
| Income From Grants and Donations*    | 0         |             |
| Interest Income                      | 0         |             |
| Dividends Income                     | 0         |             |
| Loans/Borrowings*                    | 0         |             |
| Other Income ( <i>specify</i> )*     | 0         |             |
| <b>Total</b>                         | <b>0</b>  |             |

*(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)**

**Tuition**

| <b>Description</b>            | <b>2020-2021</b>    | <b>2019 - 2020</b> |
|-------------------------------|---------------------|--------------------|
|                               | <b>Kshs</b>         | <b>Kshs</b>        |
| Exercise Books                | -                   |                    |
| Textbooks                     | -                   |                    |
| Reference materials           | -                   |                    |
| Laboratory Equipment          |                     |                    |
| Teaching / Learning Materials | 1,051,209.00        |                    |
| Exams And Assessment          |                     |                    |
| Teachers Guides               |                     |                    |
| School fund                   |                     |                    |
| Operation acc                 |                     |                    |
| Sundry creditors              |                     |                    |
| Bank charges                  | 480.00              |                    |
| <b>Total</b>                  | <b>1,051,689.00</b> |                    |

**Operations**

| <b>Description</b>                     | <b>2020-2021</b>    | <b>2019 - 2020</b> |
|----------------------------------------|---------------------|--------------------|
|                                        | <b>Kshs</b>         | <b>Kshs</b>        |
| Personnel Emoluments                   | 1,226,239.00        |                    |
| Service Gratuity                       |                     |                    |
| Administration Cost                    | 2,384,450.00        |                    |
| Repairs And Maintenance & Improvements | 2,548,000.00        |                    |
| Local Transport / Travelling           | 248,790.00          |                    |
| Electricity And Water                  | 351,262.00          |                    |
| Medical                                | 720.00              |                    |
| Activity Expenses                      | 23,600.00           |                    |
| Bank charges                           | 2,400.00            |                    |
| <b>Total</b>                           | <b>6,785,461.00</b> |                    |

**Boarding and School Fund**

|                                        |                     |  |
|----------------------------------------|---------------------|--|
| Repairs And Maintenance & Improvements |                     |  |
| Loan repayment                         | 300,000.00          |  |
| Local Transport / Travelling           | 20,710.00           |  |
| Electricity And Water                  | 54,612.00           |  |
| Lunch Programme                        | 3,504,503.00        |  |
| Bank Charges                           | 1,440.00            |  |
| Loan Principal Repayment               |                     |  |
| Loan Interest Repayment                |                     |  |
| Sundry creditors                       |                     |  |
| Excess income over expenditure         |                     |  |
| <b>TOTAL</b>                           | <b>3,881,265.00</b> |  |

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

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

**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              |                | 01139295151002      | 164,033.00          |             |
| Operations Account           |                | 01139295151001      | 315,539.00          |             |
| School Fund Account/Boarding |                | 01139766753500      | 160,041.00          |             |
| Infrastructural Account      |                | 01139295151003      | 498,649.00          |             |
| <b>TOTAL</b>                 |                |                     | <b>1,138,262.00</b> |             |

**Cash In Hand**

| Description            | 2020-2021        | 2019 - 2020 |
|------------------------|------------------|-------------|
|                        | Kshs             | Kshs        |
| Notes and Coins        |                  |             |
| Tuition Account        | -                |             |
| Operation Account      | 61,100.00        |             |
| Infrastructure Account | 3,160.00         |             |
| School Fund            | 14,832.00        |             |
| <b>TOTAL</b>           | <b>79,093.00</b> |             |

**Short Term Investments**

| Description            | 2020-2021 | 2019 - 2020 |
|------------------------|-----------|-------------|
|                        | Kshs      | Kshs        |
| Cooperative Shares     | -         |             |
| Treasury Bills         | -         |             |
| Fixed Deposit accounts | -         |             |
| Other Investments      | -         |             |
| <b>TOTAL</b>           | <b>-</b>  |             |

**Notes to the Financial Statements (continued)**

**Accounts Receivable**

| Description                              | 2020-2021         | 2019 - 2020 |
|------------------------------------------|-------------------|-------------|
|                                          | Kshs              | Kshs        |
| Fees Arrears                             | 306,266.00        |             |
| <b>Other Non-Fees Receivables</b>        | -                 |             |
| Salary Advances (list/schedule attached) | -                 |             |
| Imprest (list/schedule attached)         | -                 |             |
| Rent arrears (list/schedule attached)    | -                 |             |
| <b>Total</b>                             | <b>306,266.00</b> |             |

**14 Ageing Analysis of Accounts Receivable**

| Description                | 2020-2021         | 2019 - 2020 |
|----------------------------|-------------------|-------------|
|                            | Kshs              | Kshs        |
| Fees arrears               | 306,266.00        |             |
| Other non-fees receivables |                   |             |
| P.A.Y.E                    |                   |             |
| N.S.S.F                    |                   |             |
| Salary advances            |                   |             |
| Imprest                    |                   |             |
| <b>Total</b>               | <b>306,266.00</b> |             |

**15. Ageing of the fees/non fees arrears**

| Description                                     | 2020-2021           | 2019 - 2020 |
|-------------------------------------------------|---------------------|-------------|
|                                                 | Kshs                | Kshs        |
| Fees arrears for current year                   | 306,266.00          |             |
| Fees arrears for the previous year              | 1,371,478.00        |             |
| Fees arrears for prior periods (over two years) | 1,172,156.00        |             |
|                                                 |                     |             |
| <b>Total</b>                                    | <b>2,849,900.00</b> |             |

**16 Accounts Payable**

| Description                                       | 2020-2021           | 2019 - 2020 |
|---------------------------------------------------|---------------------|-------------|
|                                                   | Kshs                | Kshs        |
| Trade Creditors (See Ageing Below and Appendix 1) | 941,042.00          |             |
| Prepaid Fees                                      | 315,210.00          |             |
| Retention Monies                                  | -                   | -           |
| Unpaid salaries and statutory deductions          |                     |             |
| Caution money                                     |                     |             |
| Other payables ( <i>specify</i> )                 |                     |             |
| <b>Total</b>                                      | <b>1,256,252.00</b> |             |

**17. Ageing for the Creditor's Arrears**

| Description                                         | 2020-2021         | 2019 - 2020 |
|-----------------------------------------------------|-------------------|-------------|
|                                                     | Kshs              | Kshs        |
| Trade for the current year                          | 941,042.00        |             |
| Trade creditors for the previous year               |                   |             |
| Trade creditors for prior periods ( over two years) |                   |             |
|                                                     |                   |             |
| <b>Total</b>                                        | <b>941,042.00</b> |             |

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

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**18 Fund Balance Brought Forward**

| <b>Description</b>     | <b>2020-2021</b>    | <b>2019 - 2020</b> |
|------------------------|---------------------|--------------------|
|                        | <b>Kshs</b>         | <b>Kshs</b>        |
| Bank Balances          | 97,235.00           |                    |
| Cash Balances          | 2,501.00            |                    |
| Short Term Investments |                     |                    |
| Receivables            | <b>306,266.00</b>   |                    |
| Payables               | 941,042.00          |                    |
| <b>Total</b>           | <b>(535,040.00)</b> |                    |

**Other important disclosure notes**

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

**19 Non-current Liabilities Summary**

| Description                  | 2020-2021           | 2019 - 2020 |
|------------------------------|---------------------|-------------|
|                              | Kshs                | Kshs        |
| Bank Loans                   | 1,169,252.00        |             |
| Outstanding Leases           |                     |             |
| Hire Purchase                |                     |             |
| Gratuity And Leave Provision |                     |             |
| Others (specify)             |                     |             |
| <b>TOTAL</b>                 | <b>1,169,252.00</b> |             |

**20 Biological assets**

| Description              | Numbers | 2020-2021 | 2019 - 2020 |
|--------------------------|---------|-----------|-------------|
|                          |         | Kshs      | Kshs        |
| Cattle                   | 2       | -         |             |
| Goats                    | 0       | -         |             |
| Trees                    | 321     | -         |             |
| Coffee Or Tea Plantation | 0       | -         |             |
| Poultry                  | 0       | -         |             |
| Others (specify)         |         | -         |             |
| <b>Total</b>             |         | -         |             |

**21 Borrowings**

| Description                           | 2020-2021         | 2019 - 2020 |
|---------------------------------------|-------------------|-------------|
|                                       | Kshs              | Kshs        |
| Borrowings at beginning of the year   | 1,169,252.00      |             |
| Borrowings during the year            |                   |             |
| Repayments during the year            | 300,000.00        |             |
| <b>Balance at the end of the year</b> | <b>869,252.00</b> |             |

**Other important disclosure notes**

**22 Stock/ Inventory**

| Description                                  | 2022-2023         | 2021-2022 |
|----------------------------------------------|-------------------|-----------|
|                                              | Kshs              | Kshs      |
| Stock/inventory at the beginning of the year | 2,303,400.00      |           |
| Stock/inventory purchased during the year    | 4,090,000.00      |           |
| Stock/inventory issued during the year       | 6,093,400.00      |           |
|                                              |                   |           |
|                                              |                   |           |
|                                              |                   |           |
|                                              |                   |           |
| <b>Balance at the end of the year</b>        | <b>300,000.00</b> |           |

*(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)*

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

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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.

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



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Sign and Date  
Principal

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

**Annexes**

**Annex I - Analysis of Pending Accounts Payable**

| Supplier Of Goods Or Services         | Original Amount  | Date Contracted | Amount Paid To-Date | Outstanding Balance 2020-2021 | Outstanding Balance 2020-2021 | Comments |
|---------------------------------------|------------------|-----------------|---------------------|-------------------------------|-------------------------------|----------|
|                                       | A                | b               | C                   | d=a-c                         |                               |          |
|                                       | Kshs             | Kshs            | Kshs                | Kshs                          | Kshs                          |          |
| <b>Construction Of Buildings</b>      |                  |                 |                     |                               |                               |          |
| 1.                                    |                  |                 |                     |                               |                               |          |
| <b>Sub-Total</b>                      |                  |                 |                     |                               |                               |          |
| <b>Supply Of Goods</b>                |                  |                 |                     |                               |                               |          |
| 2. Jalweto Ventures                   | 109,000          |                 | 50,000              | 59,000                        | 59,000                        |          |
| 3. Laventer Amondi Miyawa             | 146,190          |                 | 80,000              | 66,190                        | 66,190                        |          |
| 4. Philiom Investments                | 140,000          |                 | 80,000              | 60,000                        | 60,000                        |          |
| 5. Teresa Atieno Bange                | 100,000          |                 | 30,000              | 70,000                        | 70,000                        |          |
| 6. Mwamba & Gitonga Company Advocates | 100,000          |                 | 50,000              | 50,000                        | 50,000                        |          |
| 7. Fortel Survilla Agencies           |                  |                 |                     | 122,431                       | 122,431                       |          |
| 8. Shadad Otieno Oindu                | 27,000           |                 | 27,000              |                               |                               |          |
| 9. Tambita General Metal Works        | 110,000          |                 |                     | 110,000                       | 110,000                       |          |
| 10. Awendo Ebenezer                   | 853,421          |                 | 450,000             | 403,421                       | 403,421                       |          |
| <b>Grand Total</b>                    | <b>1,585,611</b> |                 | <b>767,000</b>      | <b>941,042</b>                | <b>941,042</b>                |          |

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

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

| Asset Class                              | Date purchased | Location           | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2020 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021 |
|------------------------------------------|----------------|--------------------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------|
| Land                                     |                |                    | -                                                    | -                                | -                                | -                                                     |
| Buildings and Structures                 |                |                    | -                                                    | -                                | -                                | -                                                     |
| Motor Vehicles                           |                |                    | -                                                    | -                                | -                                | -                                                     |
| Office Equipment, Furniture And Fittings | -              | Admin Block        | 4,567,980.00                                         | 176,120.00                       | 0                                | 4,744,100.00                                          |
| Textbooks                                |                | Book store         | 3,458,900.00                                         | 78,000.00                        | 0                                | 3,536,900.00                                          |
| ICT Equipment                            | 12.01.2021     | Computer room      | 211,000.00                                           | 1,500.00                         |                                  | 212,500.00                                            |
| Tools And Apparatus                      |                | Laboratory         | 2,345,666.00                                         | 988,700.00                       |                                  | 3,334,366.00                                          |
| Other Machinery And Equipment            | 18.02.2021     | Kitchen            | 58,336.00                                            | 27,165.00                        | 0                                | 85,501.00                                             |
| Heritage And Cultural Assets             | 15.08.2016     | Staffroom          | 234,560.00                                           | 69,000.00                        |                                  | 303,560.00                                            |
| Intangible Assets- Soft Ware             | 4.05.2021      | Secretary's office | 90,000.00                                            | 0                                |                                  | 90,000.00                                             |
| <b>Total</b>                             |                |                    | <b>10,966,442.00</b>                                 | <b>1,340,485.00</b>              |                                  | <b>12,306,927.00</b>                                  |