

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS 1 (A)	
DATE:	30 NOV 2023
TABLED BY:	Hon. Naomi Wago, MP Deputy majority whip
CLERK AT THE TABLE:	A. Shubuka

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REPORT

OF

THE AUDITOR-GENERAL

ON

**KAMAHINDU SECONDARY
SCHOOL**

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

KIAMBU COUNTY



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

18 JUL 2023

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**KAMAHINDU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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I. Key School Information And Management

(a) Background information

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

The school was registered in 1985 under registration number H/A/621/85 and is currently categorized as a Sub county public school established, owned or operated by the Government.

The school is a mixed day school and had 490 number of students as at 30th June 2021. It has 3 streams and 19 teachers of which 5 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	Simon Gachoka Wanjiru	Chairman	31st May 2019
2	John Fwamba	Secretary – Principal	31st May 2019
3	Monicah Wangui Waburi	Member	31st May 2019
4	Mary Wangari Waweru	Member	31st May 2019
5	Richard Muigai Karanja	Member	31st May 2019
6	Paul Wanyoike	Member	31st May 2019
7	Francis Mbui Kimani	Member	31st May 2019
8	Zachary Wainaina Warubi	Member – Rep CEB	31st May 2019
9	Damaris Kerubo Nyandege	Member Rep Teachers	31st May 2019
10	Ruth Wanjiku Ngugi Joseph Muhia Kairu David Mwaura Thuku	3 Members – Sponsor	31st May 2019
11	John Wachira Kirumba	Member – Community	31st May 2019
12	Simon Njoro Mburu	Memberspecial Needs	31st May 2019
	Japhet Barrack Mumba	Rep Students	31st May 2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Simon Gachoka John Fwamba Ruth Ngugi Francis Mbui		3
2	Audit Committee	Mary Wangari Waweru Simon Njoroge Mburu Kamau Wanyoike Francis Mbui Kimani		1
3	Finance, procurement and general purposes Committee	Simon Gachoka Francis Kimani Ruth Ngugi John Fwamba		1
4	Academic Committee	Simon Njoroge Mburu Monicah Wangui Wabure Damaris Kerubo Kamau		1
5	Development Committee			
6	Discipline and welfare Committee	John Wachira Kirumba Joseph Kairu Muhia		1

		David Thuku Mwaura Mary Wangari Waweru		
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	John Fwamba	348302
2	Deputy Principal	Emily W. Kamau	379937
3	School Bursar	Mary W. Mburu	-

(e) Schools contacts

Post Office Box: 50-00223, Kagwe
 Telephone: 0720677341
 E-mail: kamahindusecondaryschool@yahoo.com
 Website:
 Facebook:
 Twitter:

(f) School Bankers

The school operated 4 number of bank accounts in the following banks:

NAME	BANK	ACCOUNT NO
Tuition a/c	KCB	1105052176
Operation a/c	KCB	1107615089
Lunch a/c	KCB	1105056686
Lunch a/c	K-UNITY	3136

1. MPESA Pay Bill No. 522522 attached to KCB-1105056686 bank account

(g) Independent Auditors

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

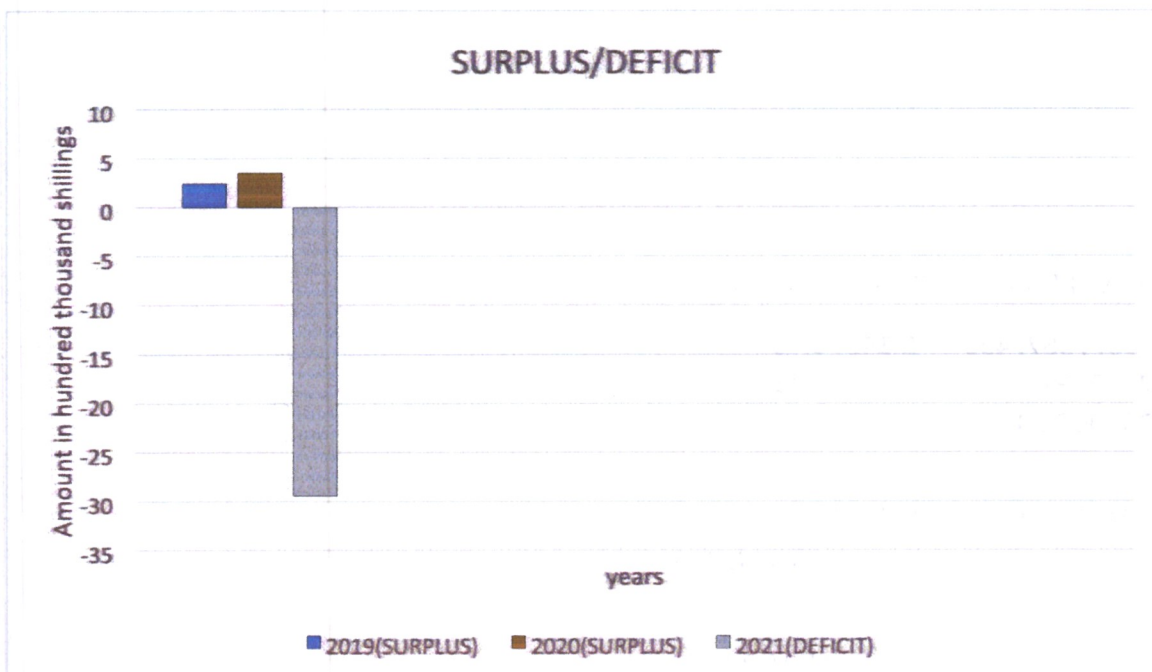
II. Summary Report Of Performance Of The School

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

a) **Financial performance:**

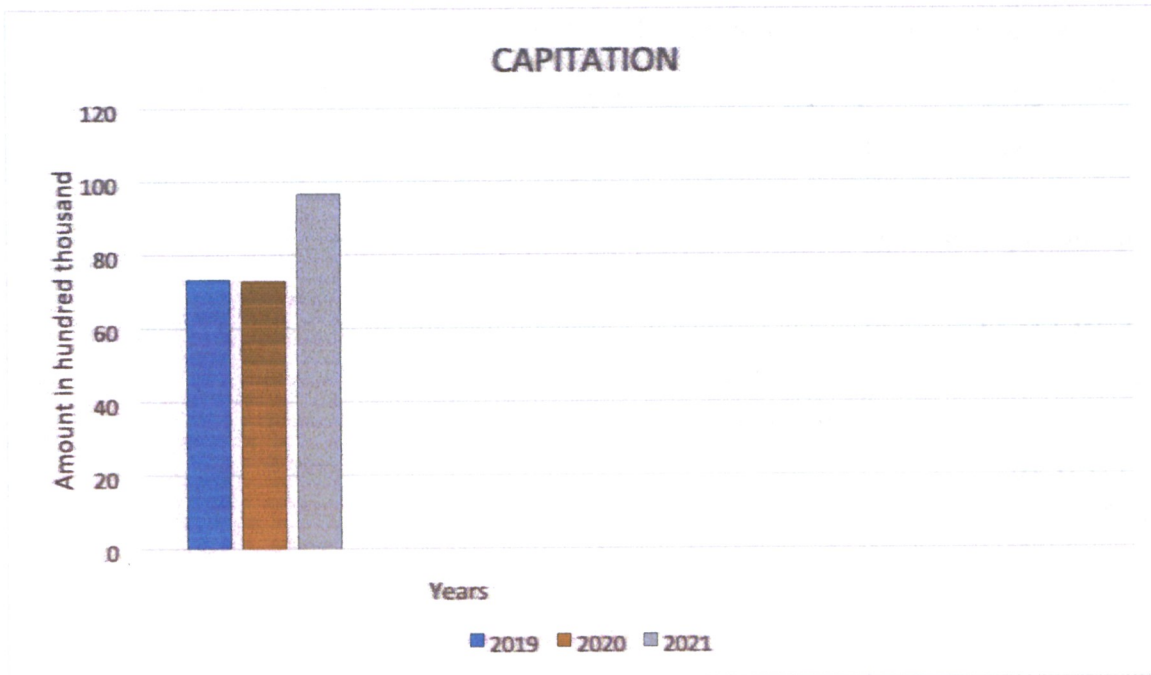
III. 1.SURPLUS/DEFICIT

YEAR	SURPLUS (KSH)	DEFICIT (KSH)
2021	-	2943477
2020	353757.70	-
2019	242778.40	-



IV. 2.CAPITATION

YEAR	AMOUNT (KSH)
2021	9677587
2020	7300391.8
2019	7330082.48

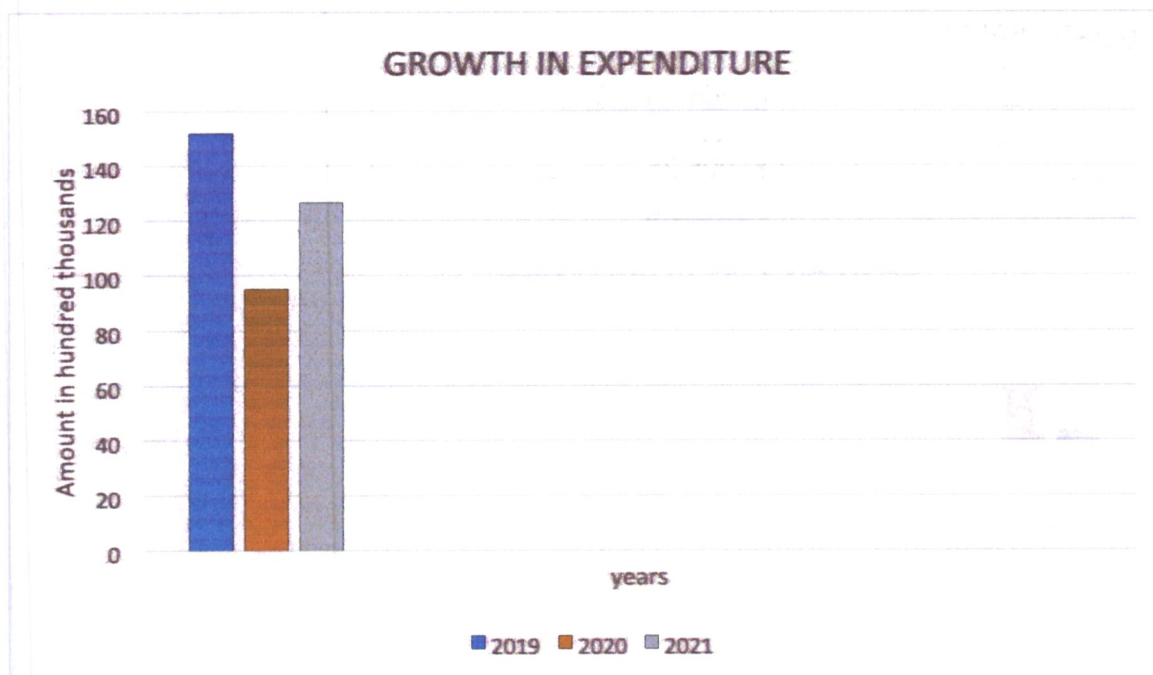


V. 3.RATIO CAPITATION PER STUDENT

2021 $9677587/490 = 1:14378.45$
 2020 $7300391.8/470 = 1:15532.72$
 2019 $7330082.48/450 = 1:16289.$

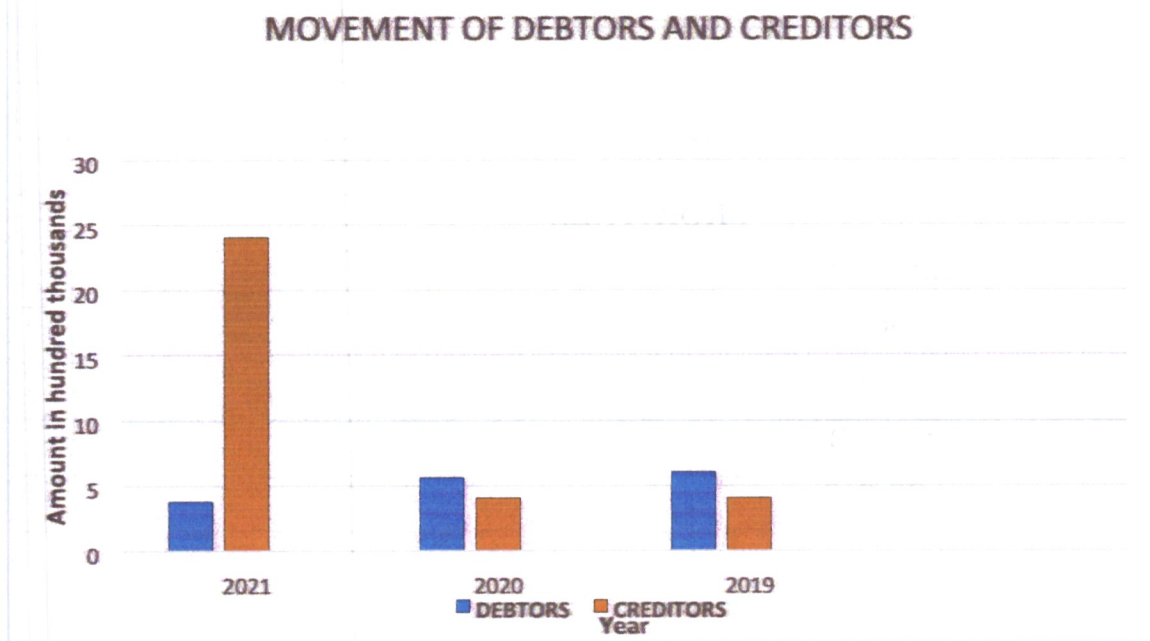
VI. 4.GROWTH IN EXPENDITURE

YEAR	AMOUNT (KSH)
2021	12621064
2020	9522037.30
2019	15199442.02



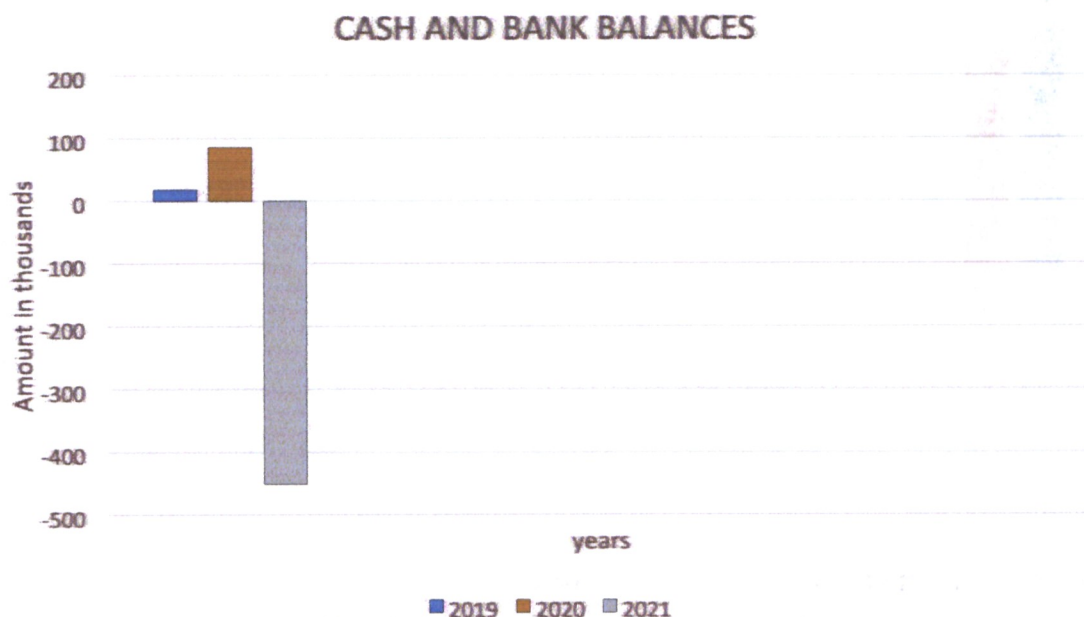
VII. 5. MOVEMENT OF DEBTORS AND CREDITORS

YEAR	DEBTORS	CREDITORS
2021	380100	2406630
2020	563100	410000
2019	608480	410000



6. CASH AND BANK BALANCES

YEAR	AMOUNT (KSH)
2021	(450943)
2020	85905.25
2019	18147.55



b) Teacher Student ratio:

Number of teachers employed by TSC	Number of teachers employed by BOM	Number of teachers recruited/transferred	Transferred/recruited
19	5	3	0
Teacher student ratio 1:25			

SHORTFALL		
1	KISW/HIST	2
2	BIO/CHEM	1
3	MATH/CHEM	1
4	MATH/BST	1
5	AGR/BIO	1

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

c) Mean score in the 2021 KCSE:

CANDIDATURE						GRADES DISTRIBUTION															MEANSCORE			DEV	
PRESENT			ABSENT																						
M	F	T	M	F	T	A	A	B	B	B	C	C	C	D	D	D	E	X	Y	U	P	W	2020	2021	2019
							-	+		-	+		-	+		-									
97	30	127	0	0	0	0	0	0	0	1	4	3	6	1	3	4	1	0	0	0	0	0	1.936	2.47	2.78

d) Number of Candidates in the 2021 KCSE:

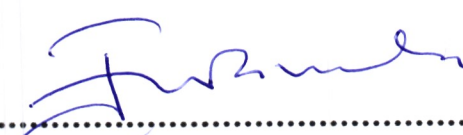
YEAR	MALE	FEMALE	TOTAL
2021	75	34	109
2020	88	35	123
2019	80	41	121

e) Capacity of the school:

YEAR	MALE	FEMALE	TOTAL
2021	355	135	490
2020	350	120	470
2019	300	150	450

f) Development projects carried out by the school:

NAME	YEAR	Source of fund	Status	Cost
2 classrooms	2021	MOE grants	Complete	1,600,000



School Principal

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

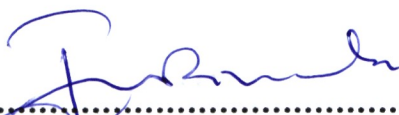
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.



.....
Name: Simon Gachoka Wanjiru

Designation: Chairman, School Board of Management

Date:



.....
Name: John Fwamba

Designation: School Principal & Secretary to Board of Management

Date:



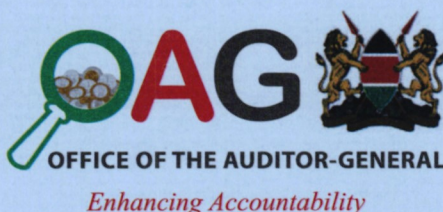
.....
Name: Mary wambui Mburu

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KAMAHINDU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – KIAMBU 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kamahindu Secondary School – Kiambu County set out on pages 1 to 15, which comprise of the statement of financial

Report of the Auditor-General on Kamahindu Secondary School for the year ended 30 June 2021 -Kiambu County

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kamahindu Secondary School – Kiambu County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Boarding and School Fund Expenditure

The statement of receipts and payments reflects school expenses for boarding and school fund payments amount of Kshs.5,395,917 as disclosed in Note 6 to the financial statements. However, payment vouchers amounting to Kshs.660,200 were not supported by receipts, invoices, LPOs, some suppliers not in the prequalified list.

In the circumstances, the regularity and completeness of the expenditure on boarding and school fund payments of Kshs.660,200 could not be confirmed.

2. Inaccuracies in the Statement of Cash Flows

The statement of financial assets and finance liabilities reflects cash and cash equivalents balance of Kshs.180,768 as disclosed in Note 7 and 8 to the financial statements. However, the statement of cash flows reflects a negative cash and cash equivalents balance of Kshs.412,221 resulting in an unexplained variance of Kshs.592,989.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

3. Unreconciled Boarding and Fund Payments

The statement of receipts and payments reflects an amount of Kshs.5,892,855 in respect of boarding and fund payments as disclosed in Note 6 to the financial statements. However, review of ledgers provided for audit reflects an amount of Kshs.5,567,855 resulting in an unexplained variance of Kshs.325,000.

In the circumstances, the accuracy and completeness of the boarding fund payment amounting to Kshs.5,567,855.31 could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects trade payables balance of Kshs.2,406,630 as disclosed in Note 10 to the financial statements. However, advertisement for tenders, tender opening minutes, evaluation reports, professional opinion, inspection and acceptance reports were not provided for audit review. Further, the school did not provide for audit verifications the aging analysis and the payables settled during the year. The payment plans and payables status reports were also not provided for audit verification.

In the circumstances, the regularity, accuracy and completeness of the accounts payables balance of Kshs.2,406,630 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.3,825,000 and Kshs.3,450,978 respectively resulting to an under-funding of Kshs.374,022 or 10% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the School.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board 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 the financial statements for longer period is due to the adoption of IPSAS for schools 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 only one year for financial year 2020-2021 with comparative balances for financial year 2019. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed the Public Sector Accounting Standards Board.

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 the circumstances, Management did not comply with guidelines issued by the PSASB.

2. Irregularities in Procurement Process

The statement of receipts and payments reflects payments for operations and boarding and school fund payments amount of Kshs.3,778,295 and Kshs.5,892,855, respectively as disclosed in Note 5 and 6 to the financial statements. Review of payments in respect of procurement revealed that the School had engaged various suppliers for supply of goods and services However, the following procurement irregularities were noted'

- i. The methods used for procuring goods and services was not documented in any verifiable form. This is contrary to the threshold Matrix as per the Second Schedule of Public Procurement and Asset Disposal Regulations, Regulations, 2020 which prescribes the particular procurement method to be used for goods, works or services depending on the maximum or minimum level of expenditure for the item being procured.
- ii. The School did not provide evidence of advertisement of any of the procurements. This is contrary to Section 96(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the Accounting Officer of a procuring entity shall take such steps as are reasonable to bring the invitation to tender to the attention of those who may wish to submit tenders.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects trade payables balance of Kshs.2,406,630 as disclosed in Note 10 to the financial statements. However, advertisement for tenders, tender opening minutes, evaluation reports, professional opinion, inspection and acceptance reports were not provided for audit review. Further, the school did not provide for audit verifications the aging analysis and the payables settled during the year. The payment plans and payables status reports were also not provided for audit verification.

In the circumstances, the regularity, accuracy and completeness of the accounts payables balance of Kshs.2,406,630 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budget Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.3,825,000 and Kshs.3,450,978 respectively resulting to an under-funding of Kshs.374,022 or 10% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the School.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Report of the Auditor-General on Kamahindu Secondary School for the year ended 30 June 2021 -Kiambu County

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board 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 the financial statements for longer period is due to the adoption of IPSAS for schools 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.

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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 the circumstances, Management did not comply with guidelines issued by the PSASB.

2. Irregularities in Procurement Process

The statement of receipts and payments reflects payments for operations and boarding and school fund payments amount of Kshs.3,778,295 and Kshs.5,892,855, respectively as disclosed in Note 5 and 6 to the financial statements. Review of payments in respect of procurement revealed that the School had engaged various suppliers for supply of goods and services However, the following procurement irregularities were noted'

- i. The methods used for procuring goods and services was not documented in any verifiable form. This is contrary to the threshold Matrix as per the Second Schedule of Public Procurement and Asset Disposal Regulations, Regulations, 2020 which prescribes the particular procurement method to be used for goods, works or services depending on the maximum or minimum level of expenditure for the item being procured.
- ii. The School did not provide evidence of advertisement of any of the procurements. This is contrary to Section 96(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the Accounting Officer of a procuring entity shall take such steps as are reasonable to bring the invitation to tender to the attention of those who may wish to submit tenders.

- iii. The School did not provide tender and evaluation reports for audit review. This was contrary to Section 80 (4) of the Public Procurement and Asset Disposal Act, 2015 requires the evaluation committee to prepare an evaluation report containing a summary of the evaluation and comparison of tenders and submit the report to the person responsible for procurement for his or her review and recommendation.

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

3. Irregularities in the Construction of Two (2) Classrooms

The Management engaged various contractors for the proposed construction of two classrooms during the financial year 2020/2021 using labour based contract. However, examination of payment vouchers for goods and services revealed that there was no documentary evidence in relation to the evaluation report, project status report, inspection and acceptance minutes were not provided for audit review.

In addition, though the list of registered suppliers and contractors in the category of goods, work and services was provided, the Company was not among the pre-qualified suppliers contrary to Section 57(1) of the Public Procurement and Asset Disposal Act, 2015

In the circumstances, Management was 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Students Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 9 to the financial statements reflects accounts receivables balance of Kshs.2,098,774. The balance includes an amount of Kshs.563,100 and Kshs.1,155,574 on fees arrears for the previous year and fees arrears for over two (2) years respectively. However, Management

has not demonstrated measures being put in place to collect the long outstanding students fees arrears.

In the circumstances, recoverability of accounts receivables balance of Kshs.2,098,774 could not be confirmed.

2. Weak Internal Controls

The School's internal controls which included financial and operations had a number of areas which were not working as expected to prevent the occurrence of error, fraud or general inefficiency as detailed below:

- i. Inadequate segregation of responsibilities in the accounting department. Same officer is involved in the verification and approval of payments is also the cashier;
- ii. Inadequate internal controls in the accounting department were observed. Same officer receives receipts from students, enters the transaction in the cashbook and performs bank reconciliation;
- iii. The finance department does not follow a finance manual in its operations;
- iv. Policies to guide the management of liabilities, receivables, inventories and non-current assets have not been prepared; and
- v. Absence of business continuity plan including adequate storage of the software data.

In the circumstances, it was not possible to confirm the existence of effective internal controls in relation to financial management and segregation of duties.

3. Lack of Asset Register and Asset Tagging Register

The School does not have a fixed asset register in place hence the existence of the disclosed non-current assets in the financial statements could not be confirmed. In addition, there was no asset tagging register therefore identification of the assets was not possible. In addition, the land on which the school was sitting did not have a title deed.

In the circumstances, the ownership and existence of proper control systems of assets management to prevent theft, security threats, losses, wastage and misuse could not be confirmed.

4. IT Internal Control Weaknesses

During the year under review, the Management did not have in place the following controls to ensure smooth running of the operations: -

- i. Absence of an IT strategy committee and an IT steering committee. This resulted to inadequacy in IT governance, which forms a critical part of the agency's governance structure.
- ii. There are no disaster management and recovery policies in place including fire suppression systems and the agencies operations might not recover from a disaster.
- iii. There is no business continuity plan and the IT continuity plan including an off-site back-up plan; and

The school does not have an accounting software system to manage accounts payable, accounts receivables, ledgers, invoices and company assets, an accounting system will allow the school to track financial transactions and instantly generate various financial reports.

In the circumstances, the possible loss, theft, misuse of assets and business continuity uncertainty of the school may be unavoidable.

5. Irregularities in the Board of Management

Examination of the Board of Management Revealed that the sitting Board of Management Chairman has already served for two (2) terms and is currently on the third term from 2016- 2019, 2019- 2022 and 2022-2025 (current third term). Further, the School Board of Management and Committees did not meet the threshold of meetings to be held in a year as detailed below: -

Name of Board/ Committee	No. of meetings attended during the year
Full Board	3
Audit Committee	1
Finance, procurement and general purposes Committee	1
Academic Committee	1
Development Committee	Nil
Discipline and welfare Committee	1

In the circumstances, the adequacy of the Board of Management in its oversight and governance roles could not be confirmed.

6. Ineffectiveness in Distribution and Management of Textbooks

During the year under review, the School Improvement Plan (SIP) indicating the need assessment of textbooks and reference material needed by the school was not prepared contrary to Section 2.2.1 of the Operation Manual from the Ministry of Education. The School received one thousand nine hundred and sixty-four (1,964) sets of books instead

of two thousand one hundred and fifty-four (2,154) as per the number of students. This resulted to a deficit of one hundred and ninety (190) set books. Further, KICD supplied books that were not required by the school.

In addition, the School lacks enough storage for the books received, some books are still in the boxes and stored on the floor. The books are not protected against damage that might be caused by cleaning water and deterioration by dampness.

In the circumstances, the effectiveness of internal controls on distribution of textbooks could not be confirmed.

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

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, 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 Schools 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Report of the Auditor-General on Kamahindu Secondary School for the year ended 30 June 2021 -Kiambu County

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Institute's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

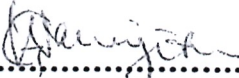
12 October, 2023

Reports and Financial Statements For the year ended 30th June 2021

X. Statement Of Receipts And Payments Period To 30th June 2021

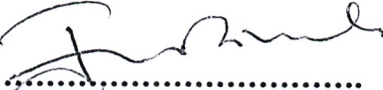
Description Of Vote Head	Note	2020-2021	2019-2020
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	547,809	794,059
Capitation grants for operations	2	3,775,978	4,987,050
School fund income- parents' contributions	3	5,395,917	4,094,686
Total Receipts		9,719,704	9,875,795
Payments			
Payments for tuition	4	546,680	812,940
Payments for operations	5	3,778,295	4,989,020
Boarding and school fund payments	6	5,892,855.31	3,720,077
Total Payments		10,217,830.31	9,522,037
Surplus/Deficit		(498,126.31)	353,758

I. The school financial statements were approved on 30 June 2021 and signed by:


 Name: Simon Gachoka
 Wanjiru


Chair BOM

Date: 30/6/21


 Name: John Fwamba

School Principal/ Secretary to
 BOM

Date: 30/6/21


 Name: Mary Wambui
 Mburu

Bursar/ Finance Officer

Date: 30/6/21


KAMAHINDU SECONDARY SCHOOL


Reports and Financial Statements For the year ended 30th June 2021

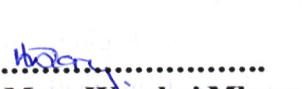
XI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	7	179,251	85,905
Cash balances	8	1,517	2,082
Short term investment		-	-
Total cash and cash equivalent		180,768	87,987
Account's receivables	9	2,098,774	2,054,574
Total financial assets		2,279,542	2,142,561
Financial liabilities			
Accounts payables	10	2,406,630	-
Net financial assets		(127,088)	2,142,561
Represented by			
Accumulated fund b/fwd	11	2,142,561	1,788,803
Surplus/deficit for the year		(498,126)	353,758
Net financial position		1,644,435	2,142,561

The school's financial statements were approved on 30 June 2021 and signed by:


 Name: Simon Gachoka
 Wanjiru


 Name: John Fwamba


 Name: Mary Wambui Mburu

Chair BOM

School Principal/ Secretary to BOM

Bursar/ Finance Officer

Date: 30/6/21

Date: 30/6/21

Date: 30/6/21

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

XII. Statement of Cash Flows for The Period Ended 30th June 2021

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	547,809	794,058
Capitation grants for operations	2	3,775,978	5,296,150
School fund income- Parents contributions/ fees	3	5,395,917	4,649,786
Total receipts		9,719,704	10,739,994
Payments			
Payments for Tuition	4	546,680	812,940
Payments for operations	5	3,778,295	5,298,120
Boarding and school fund payments	6	5,892,855.31	4,724,177
Total payments		10,217,830.31	10,835,237
Net cash flow from operating activities		(498,126.31)	(95,243)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Net cash flows from Investing Activities			
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Financing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(498,126.31)	(95,243)
CASH & Cash at beginning the year		85,905	181,148
Cash and cash equivalent at the end		(412,221.31)	85,905

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

XIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books	200,000.00	0	200,000	164,344	35,656	82%
Laboratory Equipment	400,000.00		400,000	219,124	180,876	54.8%
Internal Exams	150,000.00		150,000	109,562	40,438	73.0%
Chalks	50,000.00		50,000	54,780	(4,780)	109.0%
Total	800,000		800,000	547,810	-	
(2) Capitation Grant on Operations						
Personnel Emoluments	1,500,000.00		1,500,000	1,380,391	119,609	92%
Repairs And Maintenance	1,300,000.00		1,300,000	1,035,293	264,707	80%
Local Transport / Travelling	150,000.00		150,000	207,059	(57,059)	138%
Electricity And Water	100,000.00		100,000	138,039	(38,039)	138%
Medical	100,000.00	0	100,000	69,020	30,980	69%
Administration Costs	400,000.00		400,000	345,098	54,902	86%
Activity	275,000		275,000	276,078	1078	100%
Total	3,825,000		3,825,000	3,450,978	374,022	
(3) Fees Charged on Parents						
Personnel Emoluments	1,000,000.00		1,000,000	597,500	402,500	59%

AMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Local Transport / Travelling	50,000		50,000	47,606	2,394	95.0%
Bursary	500,000		500,000	724,700	224,7000	144%
Arrears	500,000		500,000	325,900	174,100	65%
Administration	100,000		100,000	95,212	4,788	95.0%
Activity	50,000		50,000	47,606	2,394	95.0%
Lunch/Boarding	4,000,000		4,000,000	3,102,000	898,000	76%
Total Income	6,200,000		6,200,000	4,940,523	1,259,477	
(1) Expenditure For Tuition						
Exercise Books	200,000.00	0	200,000	-	200,000	0%
Laboratory Equipment	400,000.00		400,000	370,000	30,000	93%
Internal Exams	50,000.00		50,000	36,200	13,800	72%
Bank charges	1,000.00		1,000	480	520	48%
TOTAL	651,000		651,000	406,680	244,320	
(2) Expenditure For Operations						
Personal Emoluments	1,075,000		0	1,169,000	(94,000)	108%
Activity	25,000		25,000	14,200	10,800	57%
Administration Cost	700,000		700,000	577,380	122,620	82%
Repair maintenance and improvement	1,500,000		1,500,000	1,570,325	(70325)	104%
LT&T	150,000		150,000	105,300	44,700	70%
EWC	10,000		10,000	9,190	810	92%
Medical	15,000		15,000	7,900	7,100	53%

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
TOTAL	3,475,000		3,475,000	3,453,295	21,705	
(3) Expenditure For School Fund						
lunch/boarding	3,500,000		3,500,000	3,434,945	65,055	98%
RMI	500,000		500,000	284,220	215,780	57%
LT@T	50,000		50,000	66,600	(16,600)	133%
ADMIN COSTS	400,000		400,000	252,373	147,627	63%
Personal emolument	700,000		700,000	543,800	156,200	78%
TOTAL	5,150,000		5,150,000	4,581,938	568,062	

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

- a) Overutilization of funds arised because of accounts inter-borrowing
- b) Underutilisation arised because of insufficient fund from MOE and fees paid by parents hence prioirising major votesheads.

XIV. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

KAMAHINDU SECONDARY SCHOOL**Reports and Financial Statements For the year ended 30th June 2021****XV. Notes To The Financial Statements****1 Capitation Grant for Tuition**

Description	2020-2021	2019-2020
	Kshs	Kshs
Exercise books	164,343.53	263,041.00
Laboratory equipments and apparatus	219,123.68	306,245.30
Teaching/learning materials	109,561.84	186,928.20
Chalks		10,797.80
Internal exams	54,780.20	27,046.70
Total	547,809.25	794,059.00

2 Capitation Grant for Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	530,369.45	808,212.50
Repairs and maintenance	1,329,500	1,930,500.00
Local transport / travelling	530,369.45	748,212.50
Electricity and water	530,369.45	748,212.50
Administration costs	530,369.45	751,912.50
School fund	325,000	-
Total	3,775,978	4,987,050.00

3 Parents Contribution/Fees - School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	597,500	648,900.00
Lunch	3,102,000	-
Arrears	378,517	-
Bursary	724,700	-
Bank Loan	268,200	-
Operations	325,000.00	-
lunch/boarding		3,445,786.00
Total	5,395,917	4,094,686.00

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

4 Payments For Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Exercise books	0	261,118.00
Laboratory equipments and apparatus	370,000	334,700.00
Teaching/learning materials	140,000	112,040.00
Chalks		5,600.00
Internal exams	36,200.00	99,242.00
Bank charges	480.00	240.00
Total	546,680	812,940.00

5 Payments For Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personal Emoluments	1,169,000.00	1,124,000.00
Administration Cost	577,380.00	375,855.00
Repairs and maintenance & improvements	1,570,325.00	2,918,675.00
Local transport / travelling	105,300.00	147,100.00
Electricity and water	9,190.00	110,000.00
Medical	7,900.00	43,390.00
Activity Expenses	14,200.00	270,000.00
School fund	325,000	-
TOTAL	3,778,295.00	4,989,020.00

6 Boarding And School Fund Payments

Description	2020-2021	2019-2020
	Kshs	Kshs
lunch/boarding	3,434,945.00	1,946,625.00
RMI	284,220.00	631,875.00
LT@T	66,600.00	94,400.00
ADMIN COSTS	252,372.80	482,177.00
Personal emolument	543,800.00	565,000.00
Loan Principal repayment	261,217.51	-
Bursary	724,700	
Operation account	325,000	
Total	5,892,855.31	3,720,077.00

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

7 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1105052176	2,153	1,023.60
Operations Account		(2,202)	114.60
School Fund Account/Boarding	1105056686	35,389	84,767.05
School Fund Account/Boarding Account	3136	143,911	
Total		179,251	85,905.25

8 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
School Fund account	1,517.00	2,082.00
Total	1,517.00	2,082.00

9 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	2,098,773.60	2,887,163.60
Total	2,098,773.60	2,887,163.60

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears For Current Year	380,100.00	563,100.00
Fees Arrears For The Previous Year	563,100.00	608,480.00
Fees Arrears For Prior Periods (Over Two Years)	1,155,573.60	1,715,583.60
Total	2,098,773.60	2,887,163.60

10 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,406,630.00	-
Total	2,406,630.00	-

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	2,406,630.00	
Total	2,406,630.00	

11 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	179,251	85,905.25
Cash Balances	1,517.00	2,082.00
Receivables	2,098,773.60	2,054,573.60
Payables	(2,406,630.00)	-
Total	(127,088)	2,142,560.85

Other important disclosure notes

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

12 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Trees		0.5 ACRE	0.5 ACRE
Tea Plantation		0.5 ACRE	0.5 ACRE
Total			

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Other important disclosure notes

13 Stock/ Inventory


Description	2020-2021	2019-2020
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	529,285.00	530,000.00
Stock/ inventory purchased during the year	4,137,315.00	7,599,285.00
Stock/ inventory issued during the year	4,500,000.00	7,600,000.00
Balance at end of the year	166,600.00	529,285.00

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

14 Progress On Follow Up Of Auditor Recommendations

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

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


 Sign and Date
 Principal

KAMAHINDU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2021	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Jeremiah Muchiri	100,000	1/01/2021	50,000	50,000	50,000	
2. Jambo hardware	1,500,000	01/01/2021	1,060,950	439,050	439,050	
Sub-Total	1,600,000		1,110,950	489,050	489,050	
Supply Of Goods						
3. kiringa bookshop	390,000	30/12/2020	100,000	290,000	290,000	
4. swass gen supplies	700,000	1/01/2021	400,000	300,000	300,000	
5. geokang	500,000	30/12/2020	300,000	200,000	200,000	
Sub-Total	1,590,000		800,000	790,000	790,000	
Supply Of Services						
6. Majestic fire engineers	141,980	01/01/2021	20,000	121,980	121,980	
7. Kiwangah enterprise	100,000	01/12/2020	74,400	25,600	25,600	
Sub-Total	241,980		94,400	147,580	147,580	
Grand Total	3,431,980		2,005,350	1,426,630	1,426,630	

KAMAHINDU SECONDARY SCHOOL
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Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	1984	Kamahindu	18,000,000	-	-	20,000,000
Buildings And Structures	1985	kamahindu	19,000,000	1,600,000	-	20,600,000
Office Equipment, Furniture And Fittings	2014	kamahindu	950,000	-	-	950,000
ICT Equipment, And Other ICT Assets	2019	kamahindu	750,000	-	-	750,000
Tools And Apparatus	2018	kamahindu	4,000,000	-	-	4,000,000
Textbooks	2018	kamahindu	4,000,000	-	-	4,000,000
Total			50,300,000	1,600,000		51,900,000

