

REPUBLIC OF KENYA



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REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 NOV 2023	DAY: <i>Thurs</i>
TABLER BY: OF	<i>Hon Naomi Wago, MP Deputy Majority Whip</i>
CLERK AT THE TABLE:	<i>A. Sintonko</i>

THE AUDITOR-GENERAL

ON

ST. MATHIAS BUSIA HIGH SCHOOL

**FOR THE 18 MONTHS' PERIOD
ENDED 30 JUNE, 2021**

BUSIA COUNTY



ST. MATHIAS BUSIA HIGH SCHOOL
P.O BOX 101-50400
BUSIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR 18 MONTHS
(1ST JAN 2020-30TH JUNE 2021)

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

ST. MATHIAS BUSIA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

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I. Key School Information and Management**(a) Background information**

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

The school was registered in 24/07/2007 under registration number GP/A/4720/07 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 802 numbers of students as at 30th June 2021. It has 04 streams and 41 teachers of which 03 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

Ref:	Name of Board Member	Designation	Date of appointment
1	PROF. PETER BARASA	Chairman	13/12/2018
2	TITUS ISOGOL	Secretary - Principal	13/12/2018
3	ZABLON OPONDO	Member	13/12/2018
4	CAROLYNE OKUMU	Member	13/12/2018
5	IMMACULATE OMUSE	Member	13/12/2018
6	ELISHA ONYANGO	Member	13/12/2018
7	SEPH YUSUF MUTUNDI	Member	13/12/2018
8	AGNETA ACHIENG	Member – Rep CEB	13/12/2018
9	LEONARD OKOITI	Member Rep Teachers	13/12/2018
10	JOHN GITHU, DR. JANEROSE AMUCHI, FR. CHRIS WAFULA MUKAKHA	3 Members - Sponsor	13/12/2018
11	PETER OTIENO ONYANGO	Member - Community	13/12/2018
12	GEORGE WESONGA	MemberSpecial Needs	13/12/2018
13	FANUEL SANDE	Rep Students	08/09/2020

Key School Information and Management (Continued)**The function of the School Board of Management includes:**

- 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	PROFF. PETER BARASA, DR. AMBUCHI, FR. CHRIS WAFULA, GABRIEL OPAKASI, TITUS ISOGOL		2 OUT OF 4
2	Audit Committee	ZABLON JUMA OPONDO, DR. AMBUCHI JANEROSE, MR. OKOITI LEONARD, MR. ONYANGO JAMES, TITUS ISOGOL		2 OUT OF 3
3	Finance, procurement and general purposes Committee	ELISHA ONYANGO, JOHN GICHU, GABRIEL OPAKASI, FOSCA EGESA, TITUS ISOGOL		2 OUT OF 3
4	Academic Committee	HELLEN		3 OUT OF 4

		MUKANDA, AGNETA OCHIENG, GABRIEL OPAKASI, OKOIT LEONARD, TITUS ISOGOL.		
5	Development Committee	GABRIEL OPAKASI, LEONARD OKOIT, FR. CHRIS WAFULA, TITUS ISOGOL		2 OUT OF 4
6	Discipline and welfare Committee	JOHN GICHU, JEREMIAH WAFULA, ZABLON JUMA, GABRIEL OPAKASI, TITUS ISOGOL		2 OUT OF 3
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	TITUS ISOGOL	308431
2	Deputy Principal	ELIUD MUSAKHI	366499
3	School Bursar	VINCENT OKUMU	N/A

(e) Schools contacts

Post Office Box: 101-50400 BUSIA
Telephone: +254798588828

E-mail: stmathiasbusia@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The following school operated seven numbers of bank accounts in the following banks:

1. Name of Bank: National bank
Branch: Busia
Account Number: 01242036501503

2. Name of Bank: National bank
Branch: Busia
Account Number: 01025036501500

3. Name of Bank: National bank
Branch: Busia
Account Number: 01021036501500

4. Name of Bank: National bank
Branch: Busia
Account Number: 01021036501501

5. Name of Bank: National bank
Branch: Busia
Account Number: 01242037200600

6. Name of Bank: KCB
Branch: Busia
Account Number: 1107344190

7. Name of Bank: Cooperative bank
Branch: Busia
Account Number: 01139239984100

8. MPESA Pay Bill No. 601925 attached to KCB (1107344190) bank account

(g) Independent Auditors

Office of the Auditor General

ST. MATHIAS BUSIA SECONDARY SCHOOL

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

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

ST. MATHIAS BUSIA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

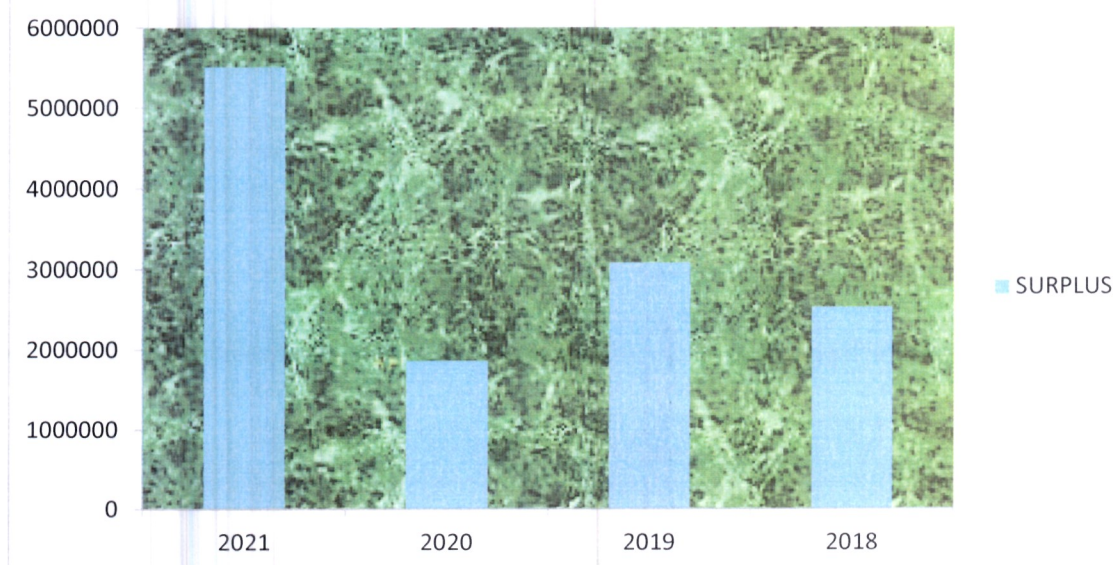
II. Summary Report of Performance of the School

a) **Financial performance:**

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

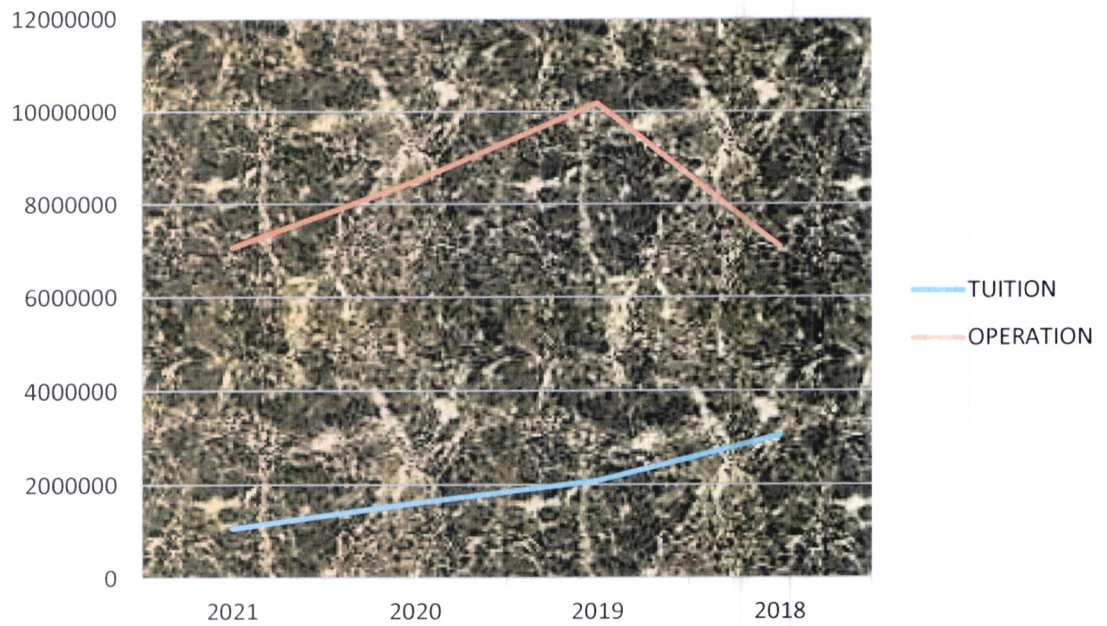
<i>YEARS</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>SURPLUS</i>	<i>5,504,393</i>	<i>1,862,215</i>	<i>3,081,853</i>	<i>2,530,024</i>
<i>DEFICIT</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

SURPLUS



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

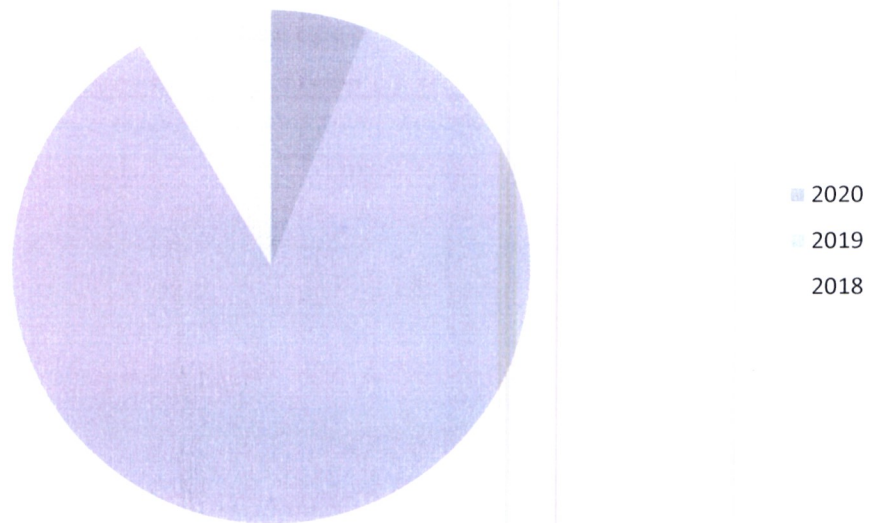
<i>YEARS</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>TUITION</i>	<i>1,068,631</i>	<i>1,616,681</i>	<i>2,087,060.25</i>	<i>3,058,428.72</i>
<i>OPERATION</i>	<i>7,060,004</i>	<i>8,490,110</i>	<i>10,177,339</i>	<i>7,072,064.70</i>



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

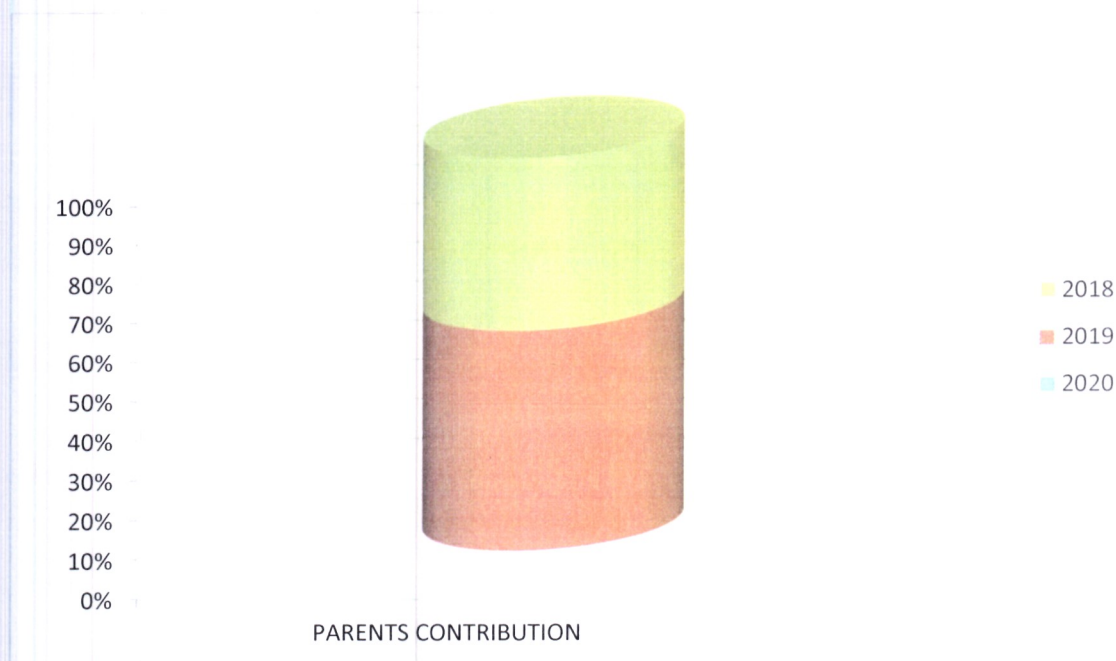
YEAR	2020	2019	2018
RATIO	12601.98	17876.13	17679.74

RATIO



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

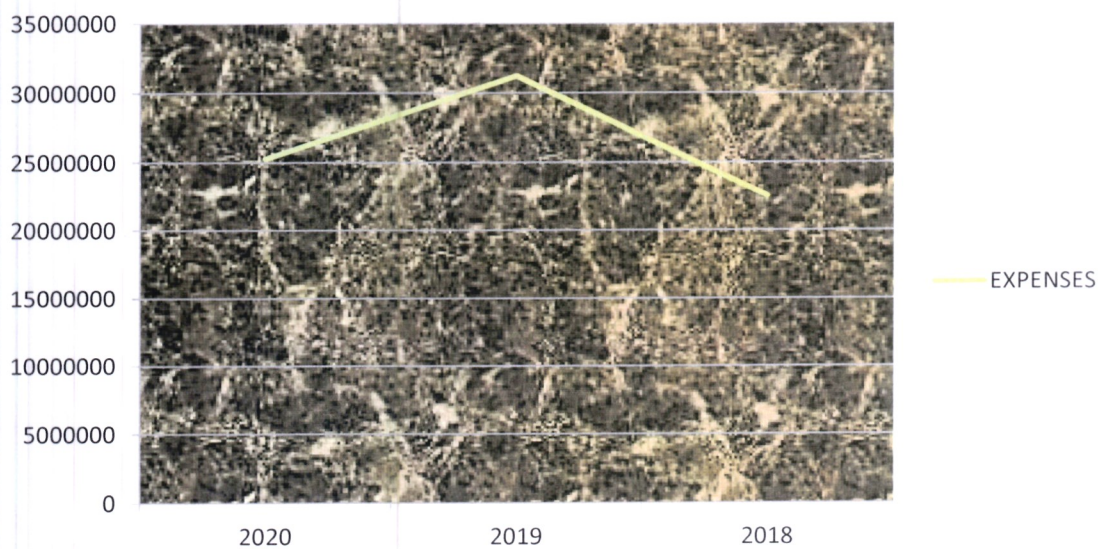
YEARS	2020	2019	2018
PARENTS CONTRIBUTION	27,118,206	31,503,737.7	24,890,654.00



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

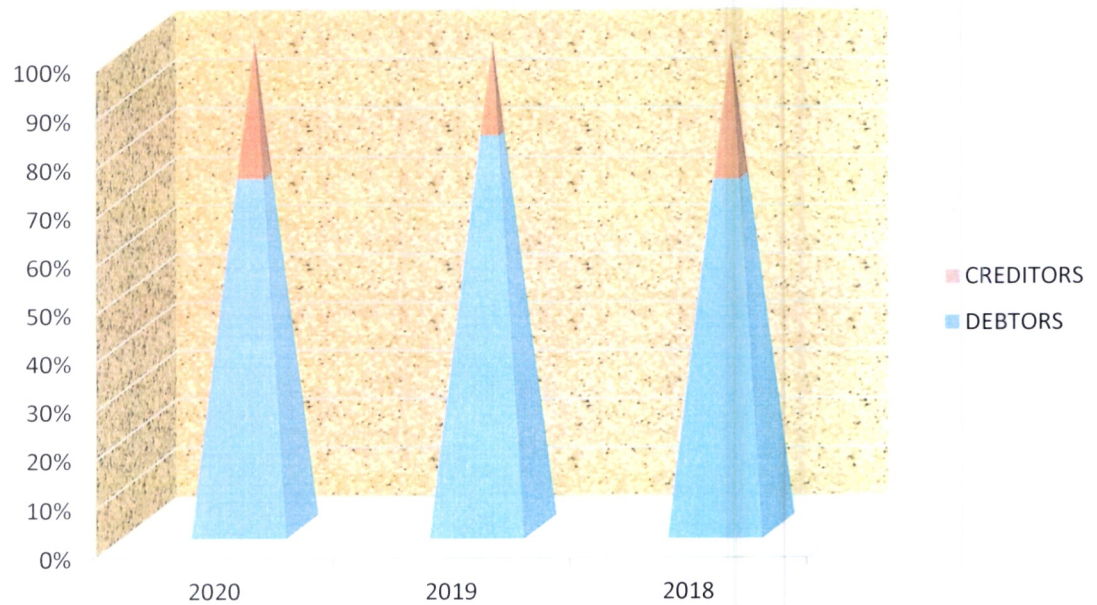
YEARS	2020	2019	2018
EXPENDITURE	25,254,992	31,224,881	22,543,891

EXPENSES



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

YEARS	2020	2019	2018
CREDITORS	10,875,377.70	9,107,526.00	4,254,218.00
DEBTORS	4,166,686.70	2,135,136.00	1,636,974.00



- Movement of cash and bank balances over the last three years

YEARS	2020	2019	2018
CASH & BANK BALANCES	146,968.55	715,453.35	1,005,682.56

CASH AND BANK BALANCES



b) **Teacher Student ratio:**

<i>Teachers recruited and posted</i>	<i>01</i>
<i>Teachers transferred</i>	<i>00</i>
<i>Teachers retired</i>	<i>01</i>
<i>Teachers employed by TSC</i>	<i>01</i>
<i>Teachers employed by BOM</i>	<i>02</i>
<i>Teachers to student ratio</i>	<i>1:19.50</i>

c) **Mean score in the 2020 KCSE:**

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN</i>	<i>GRADE</i>	<i>UNIVERSITY ENTRY</i>
<i>2020</i>	<i>144</i>	<i>4.8403</i>	<i>C-</i>	<i>22</i>
<i>2019</i>	<i>117</i>	<i>5.3761</i>	<i>C-</i>	<i>28</i>
<i>2018</i>	<i>129</i>	<i>3.9767</i>	<i>D+</i>	<i>20</i>

d) **Number of Candidates in the 2020 KCSE:**

<i>YEARS</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>ENTRY</i>	<i>144</i>	<i>117</i>	<i>129</i>

e) **Capacity of the school:**

<i>FACILITIES</i>	<i>NUMBER</i>
<i>DORMITORIES</i>	<i>04</i>
<i>DINNING HALL</i>	<i>01</i>
<i>LABORATORIES</i>	<i>02</i>
<i>LATRINES</i>	<i>32 doors</i>
<i>LIBRARY</i>	<i>01</i>
<i>CLASSES</i>	<i>16</i>

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

YEAR	SOURCE	PROJECT
2021	MOE	PAINTING OF ENTIRE SCHOOL 20 DOOR LATRINES RENOVATION OF THE LIBRARY
2021	CDF	COMPLETION OF THE ADMINISTRATION BLOCK

Vikira Peter Yupal
.....

School Principal

P. Yupal



III. Statement of School Management Responsibility

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

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

The Board of Management of *ST. MATHIAS BUSIA* 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.

Prof. Peter Barasa

Name: ~~Prof. Peter Barasa~~

frv Designation: Chairman, School Board of Management

Date: 20/10/23

Vikram Raju Yajati

Name:

Designation: School Principal & Secretary to Board of Management

Date: 20/10/23

20 OCT 2023

Vincent Okumu

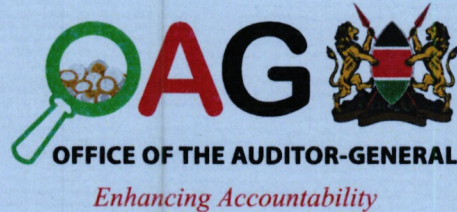
Name:

Designation: Bursar/ Finance Officer

Date: 20/10/2023

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ST. MATHIAS BUSIA HIGH SCHOOL FOR THE 18 MONTHS' PERIOD ENDED 30 JUNE, 2021 - BUSIA COUNTY

PREAMBLE

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

- A. Report on 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, gazetted 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 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 St. Mathias Busia Secondary School – Busia County set out on pages 1 to 18, which comprise 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

Report of the Auditor-General on St. Mathias Busia High School for the 18 Months' period ended 30 June, 2021 - Busia County

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, except for the effect of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly in all material respects, the financial position of St. Mathias Busia High School – Busia 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The financial statements prepared and presented for audit had the following anomalies: -

1.1 Discrepancies in Students Enrolment Data

The statement of receipts and payments reflects capitation for tuition of Kshs.2,300,458 and capitation for operations of Kshs.15,171,475 respectively, all totalling Kshs.17,471,933 as disclosed in Notes 1 and 2 to the financial statements. Review of the National Education Management Information System (NEMIS) report and school manual enrolment register for the year under review revealed inconsistencies in respect of the number of students captured in the two registers. Further, the variances resulted in over-funding of Kshs.149,096 which was unexplained and unreconciled as detailed below:

Month	Total Capitation (Kshs.)	Capitation per Student (Kshs.)	Number of Students per NEMIS	Number of Students per School's Manual Register	Variance of NEMIS enrolment and Manual Register	Over-Funding (Kshs.)
April 2021-Operations	2,301,108	2,796	823	802	21	58,716
February 2021-Operations	2,766,770	3,370	821	802	19	64,030
April 2021-Tuition	585,564	711	823	802	21	14,931
February 2021-Tuition	493,626	601	821	802	19	11,419
Total						149,096

In the circumstances, the accuracy and completeness of capitation grants of Kshs.17,471,933 could not be confirmed.

1.2 Variances Between Financial Statement and Supporting Schedules

Review of the statement of receipts and payments revealed that four (4) items had amounts which were at variance with the supporting schedules provided for audit review as detailed below:

Details	Notes	Balances in 2020/2021 Financial Statements (Kshs.)	Balances in the Supporting Schedules (Kshs.)	Variance (Kshs.)
Capitation Grant for Tuition	1	2,300,458	1,079,191	1,221,267
Capitation Grant for Operations	2	15,171,475	5,667,878	10,103,597
School Fund Income – Parents Contribution	3	16,276,965	9,085,014	7,191,951
Payments for Operations	6	10,060,399	4,301,968	5,758,431

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

1.3 Unsupported Payments for Tuition

The statement of receipts and payments reflects an amount of Kshs.2,291,688 as disclosed in Note 5 to the financial statements in respect of payments for tuition. However, review of the supporting schedule including payment vouchers revealed an amount of Kshs.973,953, resulting to unexplained and unreconciled variance of Kshs.1,317,735. Further, the supporting documents including the invoices and delivery notes provided for audit were not supported with, requisition notes, local purchase orders (LPOs), store ledgers and issue notes.

In the circumstances, the validity, accuracy and completeness of an amount of Kshs.2,291,688 in respect of payments for tuition could not be confirmed.

1.4 Unsupported Boarding and School Fund Payments

The statement of receipts and payments reflects an amount of Kshs.19,579,781 as disclosed in Note 7 to the financial statements in respect of payments for boarding and school fund payments. However, review of the supporting schedule including payment vouchers revealed Kshs.8,544,279 resulting to unexplained and unreconciled variance of Kshs.11,035,503. Further, the supporting documents including the invoices and delivery notes provided for audit were not supported with, requisition notes, local purchase orders (LPOs), store ledgers and issue notes.

In the circumstances, the accuracy and completeness of an amount of Kshs.19,579,781 in respect of payments for boarding and school fund payments could not be confirmed.

1.5 Unexplained Variances Between Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects amounts of Kshs.33,748,898 and Kshs.30,824,086 in respect of total income and expenditure during the period under review. However, review of the statement of receipts and payments revealed amounts of Kshs.35,548,898 and Kshs.31,931,868 in respect to total receipts and payments, resulting to unexplained and unreconciled variance of Kshs.1,800,000 and Kshs.1,107,782 respectively.

Further, final approved revenue budget, actual on comparable basis and budget utilization difference indicated amount of Kshs.53,248,380, Kshs.30,824,086 and under-funding of Kshs.18,882,754 respectively. However, recasting of the figures revealed under-funding of Kshs.22,424,294, resulting in an unexplained variance of Kshs.3,541,540.

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

1.6 Misclassification of Other Receipts

The statement of receipts and payments reflects an amount of Kshs.1,800,000 as disclosed in Note 4 to the financial statements in respect of disbursement from National Government Constituency Development Fund (NGCDF). Further, review of the supporting schedule including bank statement for the NGCDF account revealed that the School received two disbursements of Kshs.800,000 and Kshs.1,000,000 in April and May, 2021, totalling Kshs.1,800,000 for the construction of a laboratory. However, the disbursements from NGCDF projects should be accounted for and reported by the NGCDF office in accordance with NGCDF Act, 2015 and not by the School Management as other income.

In the circumstances, the accuracy and completeness of an amount of Kshs.1,800,000 in respect of school fund income-other receipts could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalent balance of Kshs.4,413,318 as disclosed in Notes 8 and 9 to the financial statements, which includes Kshs.4,405,722 and Kshs.7,596 in respect of bank and cash in hand balances respectively. The bank balance of Kshs.4,405,722 includes cash book bank balances of seven (7) bank accounts. However, the bank account and cash in hand balances were not supported with cash book, bank reconciliation statements and board of cash survey reports respectively. Further, the cash and cash equivalents included one bank account balance of Kshs.1,015,174 in respect of the NGCDF account whose balance should be accounted for under the NGCDF Act, 2015.

In the circumstances, the regularity, accuracy and completeness of the bank accounts balance of Kshs.4,413,318 in respect of cash and cash equivalents could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.18,636,780 as disclosed in Note 11 to the financial statements in respect of fees arrears. However, supporting documents including ledger schedule and students fee statements with ageing analysis of dates the fees arrears were not provided for audit review. Further, details in Note 11 to the financial statements indicates accounts receivables incurred two years ago and there is no evidence indicating that proper mechanism had been put in place to recover these long overdue debts.

In the circumstances, the accuracy, completeness and recoverability of accounts receivable balance of Kshs.18,636,780 could not be confirmed.

4. Unsupported Accounts Payable

The statements of financial assets and financial liabilities reflects accounts payable balance of Kshs.7,617,846 as disclosed in Note 12 to the financial statements which includes balances of Kshs.5,970,804 and Kshs.1,647,047 in respect of trade creditors and prepaid fees respectively. However, trade creditors of Kshs.5,970,804 were not supported with documents including ledger schedule and invoices, delivery notes, issues and receipts while prepaid fees were not supported with student fee statements. Further, details in Note 12 to the financial statements indicate accounts payable incurred two years ago and there was no evidence indicating that proper mechanism had been put in place to settle these long outstanding accounts payables

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.7,617,846 could not be confirmed.

5. Unsupported Repairs, Maintenance & Improvements

The statement of receipts and payments reflects payments for operations and boarding and school fund payments of Kshs.10,060,399 and Kshs.19,579,781 as disclosed in Notes 6 and 7 to the financial statements which includes amounts of Kshs.1,334,740 and Kshs.1,214,230 in respect to repairs and maintenance & improvements totalling Kshs.2,548,970. However, supporting documents including procurement plans, bills of quantities, contract agreements, payment and inspection and acceptance committee reports were not provided for audit review in respect of maintenance and repairs of work done.

In the circumstances, the accuracy and completeness of the amounts totalling Kshs.2,548,970 in respect in respect to repairs, maintenance & improvements could not be confirmed.

6. Unsupported Personnel Emoluments

The statement of receipts and payments reflects amounts of Kshs.3,752,871 and Kshs.1,343,637 as disclosed in Notes 6 and 7 to the financial statements in respect of personnel emoluments, totalling Kshs.5,096,508. However, supporting documents including payrolls and approved staff establishment were not provided for audit review.

In the circumstances, accuracy and completeness of the expenditure of an amount of Kshs.5,096,508 in respect of personnel emoluments could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St. Mathias Busia High 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 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 total income budget and actual on comparable basis of Kshs.55,223,730 and Kshs.33,748,898 respectively resulting in an under-funding of Kshs.21,474,832 or 39% of the budget. Similarly, the statement reflects final budget expenditure and actual on comparable basis of Kshs.53,248,380 and Kshs.30,859,869 resulting in under-absorption of Kshs.22,424,294 or 42% of the budget.

Further, the budget amounts presented was not supported by approved budget as required by Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which requires 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’.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the 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 been applied lawfully and in an effective way.

Basis for Conclusion

1. 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.

Whereas the Management presented the annual report and financial statements covering 18 months as required for period 2020-2021 which included comparatives for 2019-2020. 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 was in breach of the law.

2. Unbalanced Budget

The statement of budgeted versus actual amounts for the period reflects a final income budget of Kshs.55,223,730 and an expenditure final budget of Kshs.53,248,380 resulting in a variance of Kshs.1,975,350. The budget imbalance is contrary to the provisions of Section 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

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 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 sections of my report, based on the audit procedures performed, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Review of the documents and records provided for audit review revealed that School Management has not established Risk Management Policy. This is contrary to Regulation 165(1) (a-b) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations'.

In the circumstances, Management was in breach of the law and was not able to identify risks and develop mitigating strategies.

2. Lack of Approved Information Technology Security Policy

Review of the School Information Technology Systems revealed that the School did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the School to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School may be exposed to financial losses or falsification of records in the absence of information and communication Technology policy.

3. Lack of Insurance Cover for Property and Other Assets

Review of the financial statements and assets records revealed that the School did not have insurance cover for property and other assets.

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

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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 close 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 overall 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 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 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 control.
- 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 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 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 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

11 October, 2023

ST. MATHIAS BUSIA SECONDARY SCHOOL

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

V. Statement of Receipts and Payments Period to 30th June 2021

Description Of Vote Head	Note	2020-2021
		Kshs
Receipts		
Capitation grants for tuition	1	2,300,458
Capitation grants for operations	2	15,171,475
School fund income- parents' contributions	3	16,276,965
School fund income- other receipts	4	1,800,000
Proceeds from borrowings		
Total Receipts		35,548,898
Payments		
Payments for tuition	5	2,291,688
Payments for operations	6	10,060,399
Boarding and school fund payments	7	19,579,781
Total Payments		31,931,868
Surplus/Deficit		3,617,029

The school financial statements were approved on 30th September 2021 and signed by:

for Prof. Peter Barasa
 Name: ~~Barasa~~
 Chair BOM
 Date: 20/10/23

Vikram Peter Yajur
 Name: ~~Vikram Peter Yajur~~
 School Principal/ Secretary to BOM
 Date: 20/10/23

Vincent Okumu
 Name: ~~Vincent Okumu~~
 Bursar/ Finance Officer
 Date: 20/10/2023



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

Description	Note	2020-2021 Kshs	2019-2020 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	4,405,722	788,728
Cash balances	9	7,596	7,561
Short term investment	10	-	-
Total cash and cash equivalent		4,413,318	796,289
Account's receivables	10	18,636,780	17,151,991
Total financial assets		23,050,098	17,948,280
Financial liabilities			
Accounts payables	11	7,617,846	6,133,057
Net financial assets		15,432,252	11,815,223
Represented by			
Accumulated fund b/fwd	12	11,815,223	11,815,223
Surplus/deficit for the year		3,617,029	-
Net financial position		15,432,252	11,815,223

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

Prof. Peter Basasa
 Name: ~~W. M. M. M.~~

Chair BOM

Date: 20/10/23

Vikini Peter Yungul
 Name: ~~Vikini Peter Yungul~~
 School Principal/ Secretary to BOM

Date: 20/10/23

Vincent Okumu
 Name: ~~Vincent Okumu~~

Bursar/ Finance Officer

Date: 20/10/2023



VII. Statement of Cash Flows for the Period Ended 30th June 2021

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	2,300,458	-
Capitation grants for operations	2	15,171,475	-
School fund income- parents contributions/ fees	3	16,276,965	-
School fund income- other receipts	4	1,800,000	-
Total receipts		35,548,898	-
Payments			
Payments for tuition	5	2,291,688	-
Payments for operations	6	10,060,399	-
Boarding and school fund payments	7	19,579,781	-
Total payments		31,931,868	-
Net cash flow from operating activities		3,617,029	-
Cash flow from investing activities		-	-
Proceeds from sale of assets		-	-
Acquisition of assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		-	-
Cash flow from borrowing activities		3,617,029	-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		3,617,029	-
Cash and cash equivalent at beginning of the year		796,289	796,289
Cash and cash equivalent at end of the year		4,413,318	796,289

ST. MATHIAS BUSIA SECONDARY SCHOOL
 Reports and Financial Statements For the year ended 30th June 2021

VIII. 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						
<i>(1) Capitation Grant on Tuition</i>						
Textbooks and reference materials						
Exercise books	905,580	-	905,580	460,091	445,489	51%
Laboratory equipment	679,185	-	679,185	460,091	219,094	68%
Internal exams	679,185	-	679,185	345,069	334,116	51%
Teaching / learning materials	1,219,050	-	1,219,050	575,115	643,936	47%
Chalks	226,395	-	226,395	115,023	111,372	51%
Exams and assessment reference/Library	679,185	-	679,185	345,069	334,116	51%
Sub total	4,388,580	-	4,388,580	2,300,458	2,088,122	52%
<i>(2) Capitation Grant on Operations</i>						
Personnel emoluments	2,972,970	-	2,972,970	4,052,731	(1,079,761)	136%
Repairs and maintenance	5,345,000	-	5,345,000	6,092,321	(747,321)	114%
Local transport / travelling	1,257,795	-	1,257,795	927,770	330,025	74%
Electricity and water	1,843,695	-	1,843,695	2,172,649	(328,954)	118%
Medical	1,270,000	-	1,270,000	133,000	1,137,000	10%
Administration costs	1,391,040	-	1,391,040	1,527,004	(135,964)	110%
Activity	1,417,500	-	1,417,500	266,000	1,151,500	19%

ST. MATHIAS BUSIA 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	% of Utilization f=d/c % Kshs
Sub total	15,498,000	-	15,498,000	15,171,475	326,525	98%
<i>(3) Fees Charged on Parents</i>						
Personnel emoluments	5,190,255	-	5,190,255	1,872,202	868,118	68%
Repairs and maintenance	1,890,000	-	1,890,000	692,565	5,157,435	12%
Local transport / travelling	1,368,750	-	1,368,750	534,766	185,234	74%
Electricity and water	3,819,250	-	3,819,250	1,271,753	696,247	65%
Administration costs	1,422,245	-	1,422,245	575,064	188,616	75%
Activity	236,250	-	236,250	79,015	40,985	66%
Fee on Boarding Equipment and Stores	21,410,400	-	21,410,400	11,251,600	10,158,800	53%
Sub total	35,337,150	-	35,337,150	16,276,965	19,060,185	46%
<i>Other Income</i>						
Tender fees						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
CDF						
Sub total						
Grand total income	55,223,730.00	-	55,223,730.00	33,748,898	21,474,832	61%
<i>(1) Expenditure For Tuition</i>						

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
Textbooks And Reference Materials						
Exercise books	905,580	-	905,580	948,730	(43,150)	105%
Laboratory equipment	679,185	-	679,185	610,890	68,295	90%
Internal exams	679,185	-	679,185	199,500	479,685	29%
Teaching / learning materials	1,219,050	-	1,219,050	532,568	686,482	44%
Chalks	226,395	-	226,395	-	226,395	0%
Exams and assessment reference/Library	679,185	-	679,185	-	679,185	0%
Sub total	4,388,580	-	4,388,580	2,291,688	2,096,892	52%
(2) Expenditure For Operations						
Personnel emoluments	2,972,970	-	2,972,970	3,752,871	(779,901)	126%
Repairs and maintenance	5,345,000	-	5,345,000	1,334,740	4,010,260	25%
Local transport / travelling	1,257,795	-	1,257,795	495,350	762,445	39%
Electricity and water	1,843,695	-	1,843,695	1,547,877	295,818	84%
Medical	1,270,000	-	1,270,000	73,040	1,196,960	6%
Administration costs	1,391,040	-	1,391,040	2,193,661	(802,621)	158%
Activity	1,417,500	-	1,417,500	662,860	754,640	47%
Sub total	15,498,000	-	15,498,000	10,060,399	5,437,601	64%
(3) Expenditure For School Fund						
Personnel emoluments	5,190,255	-	2,740,320.00	1,343,637	1,396,683.00	49%
Repairs and maintenance	1,890,000	-	5,850,000	1,214,230	1,214,230	21%

ST. MATHIAS BUSIA 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	1,368,750	-	720,000	828,290	(108,290)	115%
Electricity and water	3,819,250	-	1,968,000	1,213,054	754,946	62%
Administration costs	1,422,245	-	763,680	1,937,250	(1,173,570)	254%
Activity	236,250	-	120,000	177,571	(57,571)	148%
CDF						
Fee on Boarding Equipment and Stores	21,410,400	-	21,079,800	11,757,967	9,321,833	56%
Sub total	33,361,800	-	33,361,800	18,471,999	11,348,261	55%
TOTAL	53,248,380		53,248,380	30,824,086	18,882,754	58%

N.B: The difference between the statement of receipt and expenditure and actual comparable basis is from CDF of 1,800,000 which is not budgeted for under income.

The difference between the total payment and actual comparable basis is from medical and CDF payment which is not budgeted.

IX. 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 impress, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes to the Financial Statements**1 Capitation Grant for Tuition**

Description	2020-2021
	Kshs
Textbooks and reference materials	
Exercise books	460,091
Laboratory equipment	460,091
Internal exams	345,069
Teaching / learning materials	575,115
Chalks	115,023
Reference/Library	345,069
Teachers Guides	
Total	2,300,458

2 Capitation Grant for Operations

Description	2020-2021
	Kshs
Personnel emoluments	4,052,731
Maintenance and Improvement	6,092,321
Local transport / travelling	927,770
Electricity and water	2,172,649
Medical	133,000
Administration costs	1,527,004
Activity	266,000
Total	15,171,475

3 Parents Contribution/Fees - School Fund Account

Description	2020-2021
	Kshs
Personnel emoluments	1,872,202
Fee on Boarding Equipment and Stores	11,251,600
RMI	692,565
Local transport / travelling	534,766
Electricity and water	1,271,753
Administration costs	575,064
Activity	79,015
Total	16,276,965

4 Other Receipts – School Fund Account

Description	2020-2021
	Kshs
Fee On Boarding Equipment and Stores	-
Rent Income	-
CDF	1,800,000
Insurance Compensation	-
Income From Posho Mill	-
Income From Bus Hire	-
Fee For Hire of Ground and Equipment	-
Income From Grants and Donations*	-
Tender fees	-
Total	1,800,000

5 Payments for Tuition

Description	2020-2021
	Kshs
Textbooks And Reference Materials	
Exercise books	948,730
Laboratory equipment	610,890
Internal exams	199,500
Teaching / learning materials	532,568
Chalks	-
Exams And Assessment	-
Teachers Guides	-
Administration Costs	-
Bank Charges	-
Total	2,291,688

6 Payments for Operations

Description	2020-2021
	Kshs
Personnel emoluments	3,752,871
Service Gratuity	-
Administration Cost	2,193,661
Maintenance and Improvement	1,334,740
Local transport / travelling	495,350
Electricity and water	1,547,877
Activity Expenses	662,860
Medical	73,040
Internal exams	
Insurance Cost	
Bank Charges	
Acquisition Of Assets	
Total	10,060,399

7 Boarding and School Fund Payments

Description	2020-2021
	Kshs
Personnel emoluments	1,343,637
Service Gratuity	-
RMI	1,214,230
Local transport / travelling	828,290
Electricity and water	1,213,054
Medical Expenses	296,506
Administration costs	1,937,250
Expenses on Income Generating Activities	-
Fee on Boarding Equipment and Stores	11,757,967
Activity Expenses	177,571
CDF	811,276
Service Gratuity	
Loan Principal Repayment	
Loan Interest Repayment	
Acquisition Of Assets	
Total	19,579,781

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	01025036501500	40,357	1,947
Operations Account	01242036501503	607,861	28,122
School Fund Account/Boarding	1107344190	427,402	758,659
School Fund Account/Boarding	01021036501500	177,912	
CDF Account	01242037200600	1,015,174	-
Gratuity Account	01021036501500	20,298	
Income Generating Activities Account			
Infrastructural Account	01139239984100	2,116,720	-
Total		4,405,722	788,728

9 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
CDF Account	1,252	
Operation Account	2,150	681
School Fund account	4,194	6,880
Total	7,596	7,561

10 Short Term Investments

Description	2020-2021
	Kshs
Cooperative Shares	-
Treasury Bills	-
Fixed Deposit	-
Equity Stock	-
Other Investments	-
Total	-

Notes to the Financial Statements (Continued)

11 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	18,636,780	17,151,991
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Total	18,636,780	17,151,991

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	2,055,447	-
Fees arrears for the previous year	4,981,029	4,981,029
Less arrears recovered during the year	(570,658)	-
Fees arrears for prior periods (over two years)	12,170,962	12,170,962
Total	18,636,780	17,151,991

12 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	5,970,804	6,133,057
Prepaid Fees	1,647,042	-
Retention Monies	-	-
Total	7,617,846	6,133,057

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	3,617,475	-
Trade creditors for the previous year	3,891,728	3,891,728
Trade creditors paid during the year	(3,779,728)	-
Trade creditors for prior periods (over two years)	2,241,329	2,241,329
Total	5,970,804	6,133,057

13 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	788,728	788,728
Cash Balances	7,561	7,561
Short Term Investments	-	-
Receivables	17,151,991	17,151,991
Payables	(6,133,057)	(6,133,057)
Total	11,815,223	11,815,223

14 Non-current Liabilities Summary

Description	2020-2021
	Kshs
Bank Loan(S)	
Outstanding Leases	
Hire Purchase	
Gratuity And Leave Provision	
Total	

15 Biological assets

Description	Numbers	2020-2021
		Kshs
Cattle		
Goats		
Trees	120	48,000
Coffee Or Tea Plantation		
Poultry		
Total	120	48,000

16 Borrowings

Description	2020-2021
	Kshs
a) Borrowings	
Borrowing at beginning of the year	
Borrowings during the year	
Repayments of during the year	
Balance at end of the year	

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021
	Kshs
b) Inventory	
Stock/ inventory at beginning of the year	925,032
Stock/ inventory purchased during the year	7,963,362
Stock/ inventory issued during the year	7,000,000
Balance at end of the year	1,888,394

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18 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)

Peter Vikim Yanyul
 Sign and Date 25/10/23
 Principal



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Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. FAIRUSI KHADUA	1,128,000	N/A	0	1,128,000	1,128,000	
5. FARMERS ENTERPRISES	115,280	N/A	0	115,280	115,280	
6. BOTTO SUGAR	50,000	N/A	0	50,000	50,000	
7. TESIA BREAD AND BURNS	10,500	N/A	0	10,500	10,500	
8. SUPA FESTIVE LTD	5,500	N/A	0	5,500	5,500	
9. AZIZAH NANZALA	10,500	N/A	0	10,500	10,500	
10. CENTRAL FARMERS GARAGE	22,620	N/A	0	22,620	22,620	
11. CATHY GROSSARY	25,650	N/A	0	25,650	25,650	
12. JOHN NYONGESA YAOLA	46,200	N/A	0	46,200	46,200	
13. LABOTECH SUPPLIERS	274,125	N/A	0	274,125	274,125	
14. PAPA BOOKSHOP	1,177,470	N/A	0	1,177,470	1,177,470	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
15. RMALKIA STATIONARIES	53,280	N/A	0	53,280	53,280	
16. TONNER SOLUTIONS	171000	N/A	0	171000	171000	
17. AMUKURA STATIONERIES	300,000	N/A	0	300,000	300,000	
18. SIMON DIN ONDU	7,380.00	N/A	0	7,380.00	7,380.00	
19. UNIVERSAL MERCHANTS	60,000	N/A	0	60,000	60,000	
20. POLLEN FIRMS	160,000	N/A	0	160,000	160,000	
Sub-Total	3,617,475	N/A	0	3,617,475	3,617,475	
Supply Of Services						
21.						
22.						
23.						
Sub-Total						
Grand Total	3,617,475	N/A	0	3,617,475	3,617,475	

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	1975	BUSIA TOWN	DONATED BY BUSIA COUNTY COUNCIL	N/A	N/A	N/A
Land 2	N/A	N/A	N/A	N/A	N/A	N/A
Buildings And Structures	1979	BUSIA	58,000,000	N/A	N/A	58,000,000
Motor Vehicles	1985	BUSIA	2,150,000	N/A	N/A	2,150,000
Office Equipment, Furniture And Fittings	2012	BUSIA	11,000,000	N/A	N/A	11,000,000
ICT Equipment, And Other ICT Assets	2016	BUSIA	4,000,000	N/A	N/A	4,000,000
Tools And Apparatus	N/A	N/A	N/A	N/A	N/A	N/A
Textbooks	2010-2021	BUSIA	24,000,000	N/A	N/A	24,000,000
Other Machinery And Equipment(GENERATOR)	2018	BUSIA	400,000	N/A	N/A	400,000
Heritage And Cultural Assets	N/A	N/A	N/A	N/A	N/A	N/A
Intangible Assets- Soft Ware	2020	BUSIA	150,000	N/A	N/A	150,000
Total			99,700,000	N/A	N/A	99,700,000

