

REPUBLIC OF KENYA



*Enhancing Accountability*



PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

**OF**

DATE: 26 NOV 2024

DAY: TUE

TABLED  
BY:

HON. HAOMI WAGO MP.  
DEP. MAJORITY PARTY WHP

CLERK-AT

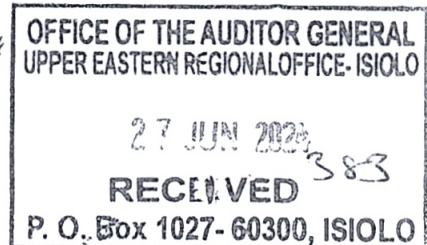
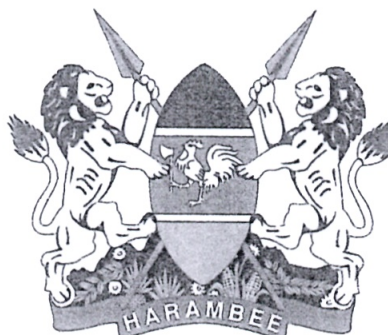
MERCY CHUMO.

**THE AUDITOR-GENERAL**

**ON**

**KINNA SECONDARY SCHOOL  
FOR THE SIX (6) MONTH'S PERIOD ENDED  
30 JUNE, 2021**

**ISIOLO COUNTY**



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*KINNA SECONDARY SCHOOL*  
**PUBLIC SECONDARY SCHOOL**

*HALF YEAR REPORT AND FINANCIAL STATEMENTS*  
**FOR THE SIX MONTH PERIOD ENDED**  
**30<sup>th</sup> 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 ISIOLO County, GARBATULLA Sub-County

The school was registered in 1991 under registration number GP/A/625/96 and is currently categorized as a EXTRA COUNTY public school established, owned or operated by the Government.

The school is a day/boarding school and had 320 number of students as at 30<sup>th</sup> June 2021.. It has 2 streams and 17 teachers of which 1 teachers is 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	Halkano huka	Chairman	17/10/2019
2	Guyo bonaya	Sec/Principal	17/10/2019
3	Mumina abdi	Member	17/10/2019
4	Wako hokile	Member	17/10/2019
5	Ibrahim jarso	Member	17/10/2019
6	Issa hersi	Member	17/10/2019
7	Fatuma halake	Member	17/10/2019
8	Yussuf huka	Member Rep CEB	17/10/2019
9	Mugambi njuki	Member Rep Trs	17/10/2019
10	Hassan ado	3 Members - Sponsor	17/10/2019
11	Halima Ali	Member - Community	17/10/2019
12	Asili halkano	Member Special Needs	17/10/2019
13	Roba hussein	Rep Students	17/10/2019

**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	Designination	Number of meetings attended during the year
1	Executive Committee	<ul style="list-style-type: none"> <li>• Hassan Ado</li> <li>• Mumina Abdi</li> <li>• Guyo Bonaya</li> </ul>	Chairman Member Secretary	2/3
2	Audit Committee	<ul style="list-style-type: none"> <li>• Issa Hersi.</li> <li>• Wako Hokile.</li> <li>• Hassan Ado</li> </ul>	Chairman Secretary Member	1/ 3
3	Finance, procurement and general purposes Committee	<ul style="list-style-type: none"> <li>• Ibrahim Jarso</li> <li>• Halima Ali</li> <li>• Yussuf Jillo.</li> </ul>	Chairman Secretary Member	1/ 3
4	Academic Committee	<ul style="list-style-type: none"> <li>• Mugambi Njuki</li> <li>• Guyo Bonaya,</li> <li>• Mumina Abdi</li> </ul>	Chairman Secretary Member	3/3
5	Development Committee	<ul style="list-style-type: none"> <li>• Asili Halkano,</li> <li>• Wako Hokile</li> <li>• Ibrahim Jarso.</li> </ul>	Chairman Secretary Member	1/3
6	Discipline and welfare Committee	<ul style="list-style-type: none"> <li>• Hassan Ado</li> <li>• Mugambi Njuki</li> <li>• Halima Ali</li> </ul>	Chairman Secretary Member	2/3
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

	<b>Designation</b>	<b>Name</b>	<b>TSC Number</b>
1	Principal	Guyo Bonaya	442582
2	Deputy Principal	Guyo kanchoro	529137
3	School Bursar	Samson nyagah	14581164

**(e) Schools contacts**

Post Office Box: 376-60600

Telephone: 0720899208

E-mail: kinnasecondaryschool@gamil.com

Website: -

Facebook: -

Twitter: -

**(f) School Bankers**

The following school operated 3 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: MAUA  
Account Number: 1103263366
2. Name of Bank; CONSOLIDATED  
Branch: ISIOLO  
Account Number: 10111203000013
3. Name of Bank: CONSOLIDATED  
Branch: ISIOLO  
Account Number: 10111203000089
4. MPESA Pay Bill No. xxxxxxxx attached to XX bank account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

**(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

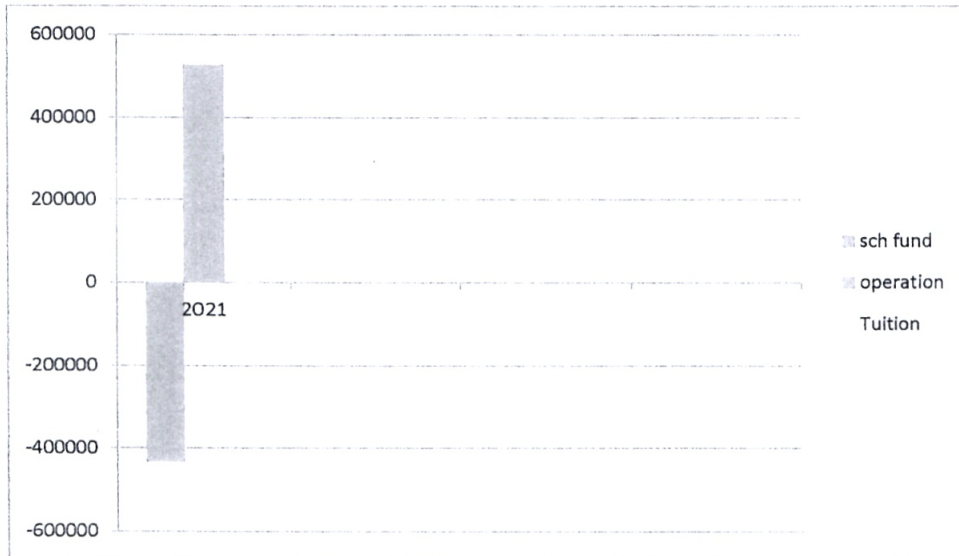
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

- Under this section ,its reflect the actual financial performance trend for the last six month period between 1st january to 30th june 2021 which covers a period of 6 months .

SURPLUS/DEFICIT FOR THESIX MONTH PERIOD		
SNO		2021
		KSHS
1	School fund Account	(454,635.00)
2	Operation Account	526,903.00
3	Tuition Account	21,587.00
4	Infrastructure Account	0
5	Farm Account	0
	<b>TOTAL</b>	93,855.00
	Increase/Decrease	-

*Trend over six month period*



**CAPITATON GRANTS FROM THE MINISTRY OF EDUCATION FOR SIX MONTH PERIOD**

SNO	ACCOUNTS	2021
		Kshs
1	Operation Accounts	2,102,762.00
2	Tuition Accounts	342,732.00
	Total	2,445,494.00
	Increase/Decrease	
	No of student	320
	Ratio of capitation per student	1:7642

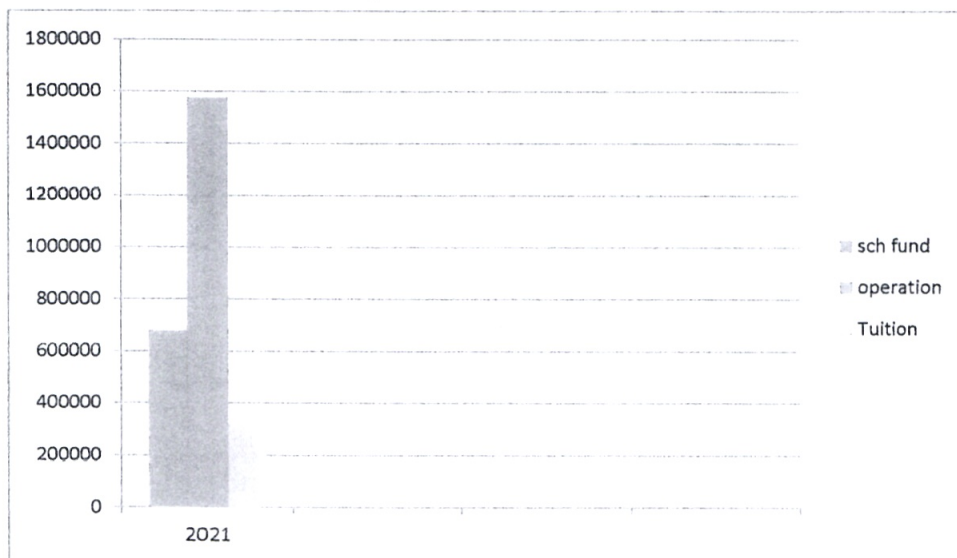
*Trend over six month period*



**OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

S/NO	ACCOUNTS	2021 Kshs
1	School fund Acc	679,150.00
2	Operation Accounts	1,575,859.00
3	Tuition Accounts	321,145.00
	Total	576,154.00
	Increase/Decrease	-

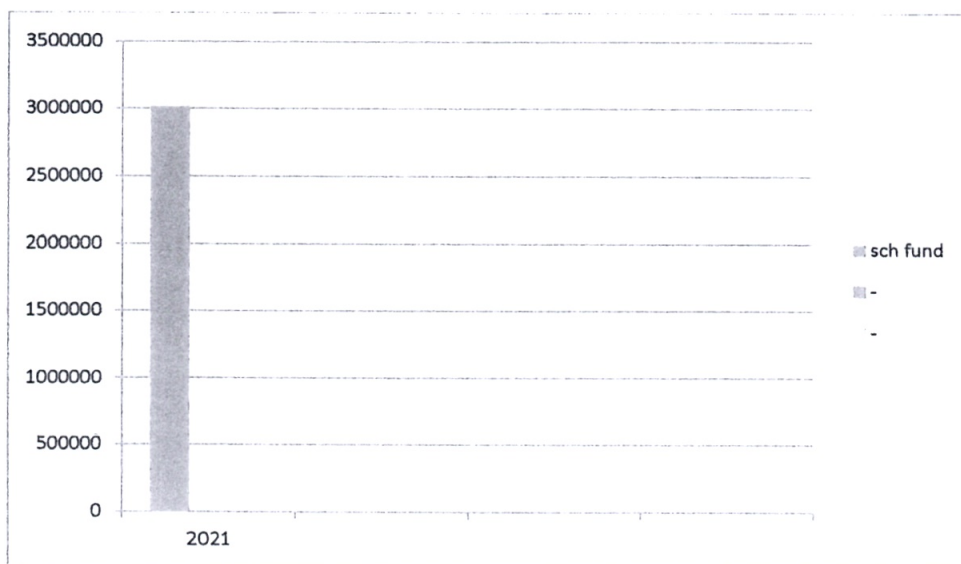
*Trend over six month period*



**MOVEMENT OF DEBTORS OF THE SCHOOL**

SNO	ACCOUNTS	2021
1	School Fund Accounts	Kshs
@	Debtors	3,014,390.00
	Total	3,014,390.00
	Increase/Decrease	-

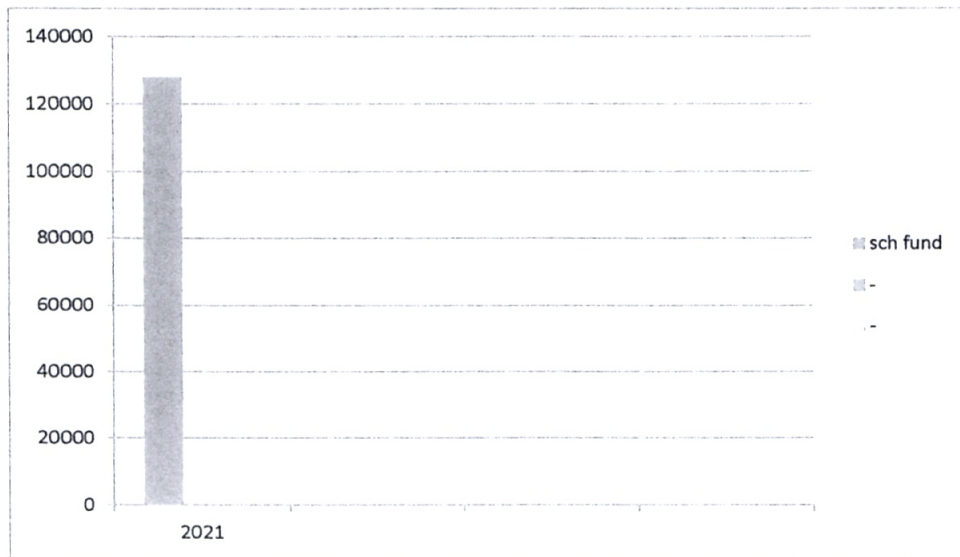
*Trend over six month period*



**MOVEMENT OF CREDITORS OF THE SCHOOL**

SNO	ACCOUNTS	2021
1	School Fund	Kshs
@	Creditors	128,004.00
	Total	128,004.00
	Increase/Decrease	-

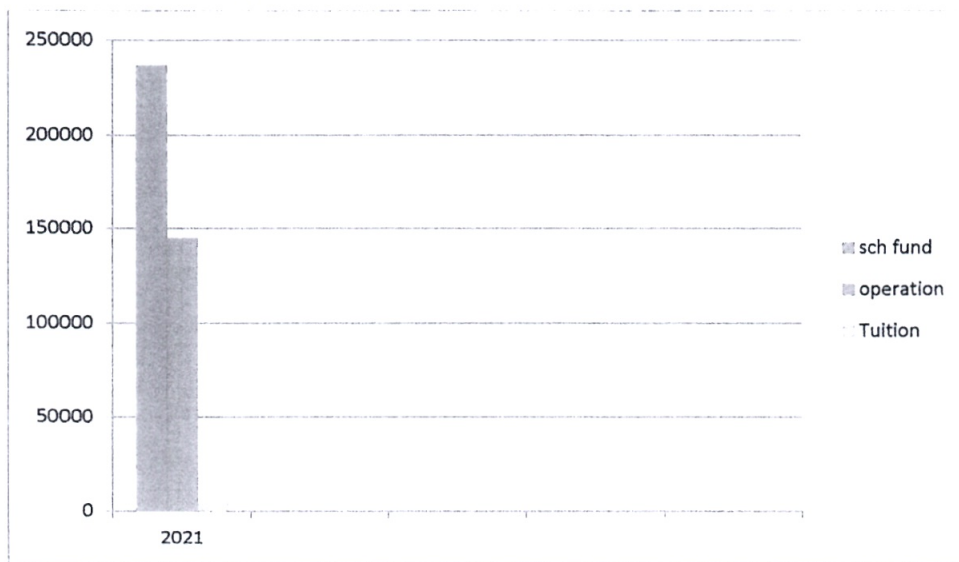
*Trend over six month period*



**MOVEMENT OF CASH AND BANK BALANCES**

SNO	ACCOUNT	2021
		Kshs
1	School fund	236,897.00
2	Operation Account	145,077.00
3	Tuition Account	4,554.00
4	Infrastructure Account	0
	Total	386,528.00
	Increase/Decrease	

*Trend over six month period.*



**b) Teacher Student ratio:**

*Between the month of january and june 2021 the status of teaching staff is as follows There are 17 teachers posted by the Teacher service commission and 1 recruited by the Bom. Although the teacher student ratio lies at 1:20. This due to subject specialization in form 3 and 4.*

**c) Mean score in the 2019 and 2020**

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION %	SCHOOL TARGET	COMMENT
2020	320	3.88	269	84%	5.7	
2019	276	2.0	220	80%	5.0	
2018	-	-	-	-	-	-

**d) Capacity of the school**

Name of the facility	No	Name of the facility	No
Administration block	1	Football pitch	1
Classrooms	9 in use	Basketball pitch	1
Classrooms	4 dilapidated	Volleyball pitch	2
Laboratory	2	Bohehole(solar powered)	1
Library (not equiped)	1	10,000ltrs water tank	3
Dinning hall	1	-	
Toilets	19	-	
Dormitory	2	-	
Computer lab	1	-	
Basket ball pitch	1	-	

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

*Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format*

*Sign*

*School Principal*

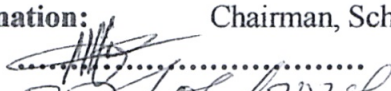
iii. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

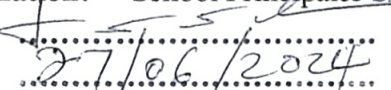
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

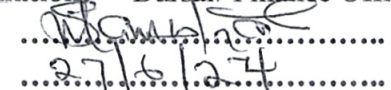
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

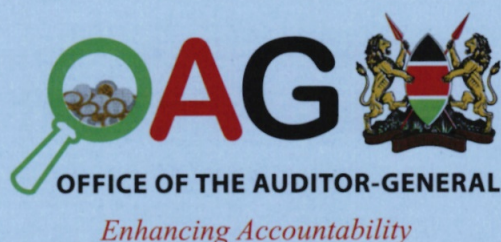
Name: Halkano Huka  
Designation: Chairman, School Board of Management  
Sign:   
Date: 27/06/2021

Name: Guyo Bonaya  
Designation: School Principal & Secretary to Board of Management  
Sign:   
Date: 27/06/2021

Name: Samson nyagah  
Designation: Bursar/ Finance Officer  
Sign:   
Date: 27/6/21

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KINNA SECONDARY SCHOOL FOR THE SIX (6) MONTH'S PERIOD ENDED 30 JUNE, 2021 - ISIOLO COUNTY**

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### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial period 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 Kinna Secondary School - Isiolo County set out on pages 16 to 34, which comprise of the statement of financial assets

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*Report of the Auditor-General on Kinna Secondary School for the Six (6) Month's period ended ended 30 June, 2021- Isiolo County*

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

In my opinion, 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 Kinna Secondary School-Isiolo County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

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

Review of financial statements submitted for audit revealed the following inaccuracies;

- i. Comparison of balances between the statement of receipts and payments and statement of cashflows revealed variances as detailed below;

<b>Financial Statement Component</b>	<b>Balance as per the statement of receipts and payments (Kshs)</b>	<b>Balance as per the statement of cashflows (Kshs)</b>	<b>Variance (Kshs)</b>
School Fund Income-Parents Contribution	47,500	970,700	923,200
School Fund Income-Other Receipts	177,015	0	177,015
Payment for Tuition	321,145	343,145	22,000
Payment for Operation	1,575,859	1,965,792	389,933
Boarding and School Fund Payments	679,150	735,150	56,000

- ii. The statement of financial assets and financial liabilities reflects accumulated funds balance brought forward of Kshs.24,588,850 which has been referenced to Note 12 instead of Note 13 to the financial statements. Further, Note 13 to the financial statements reflects a balance of Kshs.24,682,705 resulting in unreconciled variance of Kshs.93,855.

In the circumstances, the completeness and accuracy of balances reflected in the financial statements could not be confirmed

## **2. Unsupported Accounts Receivable Balance**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.31,366,340 which has been referenced to Note 10 instead of Note 11 to the financial statements. Further, the balance is not supported with detailed analysis of students with school fees arrears.

In the circumstances, the validity, completeness and accuracy of accounts receivable balance of Kshs.31,366,340 could not be confirmed.

## **3. Unsupported Accounts Payable Balance**

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.7,106,635 as disclosed in Note 12 to the financial statements. However, the aging analysis and detailed ledger in support of accounts payable were not provided for audit. Further, payables balance includes a bank overdraft of Kshs.185,452. However, information on the activities funded was not provided for audit.

In the circumstances, the validity, completeness and accuracy of the account's payable balance of Kshs.7,106,635 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kinna 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 period under review.

## **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, 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.

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

The statement of receipts and payments reflects government grants for operations of Kshs.2,102,762 as disclosed in Note 2 to the financial statements. The amount includes Kshs.556,000 which was to be transferred to the infrastructure account. However, the amount was not transferred as required by the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

In the circumstances, the Management was in breach of the Ministry of Education Circular.

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

The statement of receipts and payments reflects boarding school funds payments of Kshs.679,150 as disclosed in Note 7 to the financial statements. The balance includes an amount of Kshs.40,000 to Kenya Secondary Schools Heads Association (KSSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.40,000 could not be confirmed.

## **3. Non-Compliance with the Public Procurement and Assets Disposal Act, 2015**

Examination of payment vouchers relating to the period under review totalling to Kshs.874,885 revealed that the goods received were not accompanied by Inspection and Acceptance Committee reports contrary to requirement of Section 48 of the Public Procurement and Assets Disposal Act, 2015.

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

## **4. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 29 May,2023 instead of the statutory deadline of 30 September 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

## **5. Excess Supply of Books**

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the School had one hundred and ninety-eight (198) excess books in store. Further, one hundred and sixteen (116) books were delivered to the Schools for subjects not offered in the School.

In the circumstances, value for money on the excess three hundred and fourteen (314) text books could not be confirmed.

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

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, the effectiveness of Management to implement a School Improvement plan could not be confirmed.

## **7. Unconfirmed Student Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition, operations and infrastructure totalling Kshs.2,445,494. Comparison of data from National Education Management Information System (NEMIS) with records from the County Director of Education revealed that during the period, NEMIS reflected two hundred and seventy-five (275) students while records from the school management were not provided for audit verification.

In the circumstances, the adequacy of capitation received by the School could not be confirmed.

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 overall 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 overall governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Land Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.25,672,440 in respect of fixed assets which includes land with a nil balance. However, land ownership documents were not provided for audit.

In the circumstances, the effectiveness of internal control over land and other assets could not be confirmed.

### **2. Weaknesses in the Governance Structure**

During the period under review, the Board of Management held only one (1) meeting contrary to Section 6(1) of the Basic Education Act, 2013 which states that a Board of Management shall meet at least once every four months. Further, the minutes of the meeting held were not provided for audit review.

In the circumstances, the effectiveness of the school's governance system 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 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 terminate the School or to cease operations.

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**23 October, 2024**

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR SIX MONTH PERIOD ENDED 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2021
		Kshs
<b>RECEIPTS</b>		
Capitation grants for tuition	1	342,732.00
Capitation grants for operations	2	2,102,762.00
School Fund Income- Parents' Contributions	3	47,500.00
School Fund Income- Other receipts	4	177,015.00
Proceeds from borrowings		-
<b>TOTAL RECEIPTS</b>		<b>2,670,009.00</b>
<b>PAYMENTS</b>		
Payments for Tuition	5	321,145.00
Payments for operations	6	1,575,859.00
Boarding and school fund payments	7	679,150.00
<b>TOTAL PAYMENTS</b>		<b>2,576,154.00</b>
<b>SURPLUS/DEFICIT</b>		<b>93,855.00</b>

SIGN 

NAME: Halkino bulca

Chair BOM.....

Date 27/6/24.....

SIGN 

NAME: Guyo Bonyo

PRINCIPAL/BOM SEC

Date 27/6/24.....

SIGN 

NAME: Sanson Nyaga

Bursar/Finance Officer

Date 27/6/24.....

KINNA SECONDARY SCHOOL  
 PUBLIC SEC ONDARY SCHOOL  
 Half year Report and Financial Statements  
 For six month period ended 30<sup>th</sup> June 2021

vi.STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021


	Note	2021 Kshs
<b>FINANCIAL ASSETS</b>		
<b>Cash and Cash Equivalents</b>		
Bank Balances	8	-
Cash Balances	9	423,000.00
Short term Investment	10	-
<b>Total Cash and cash equivalent</b>		<b>423,000.00</b>
Account's receivables	10	31,366,340.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>31,789,340.00</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts Payables	11	7,106,635.00
<b>NET FINANCIAL ASSETS</b>		<b>24,682,705.00</b>
<b>REPRESENTED BY</b>		
Accumulated Fund b/fwd	12	24,588,850.00
Surplus/Deficit for the year		93,855.00
<b>NET FINANCIAL POSSITION</b>		<b>24,682,705.00</b>

SIGN  .....

NAME: Halkano Mukta

Chair BOM

Date 27/6/24 .....

SIGN  .....

NAME: GUYO BONKAY

PRINCIPAL/BOM SEC

Date 27/06/24 .....

SIGN  .....

NAME: SANJAN NYAGAL

Bursr/Finance Officer

Date 27/6/24 .....

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

		2021
		Kshs
<b>Receipts for operating income</b>		
Capitation grants for tuition	1	342,733.00
Capitation grants for operations	2	2,102,762.00
School fund income- Parents contributions/ fees	3	970,700.00
<b>Total receipts</b>		<b>3,416,195.00</b>
<b>Payments</b>		
Payments for Tuition		343,145.00
Payments for operations		1,965,792.00
Boarding and school fund payments		735,150.00
<b>Total payments</b>		<b>3,044,087.00</b>
<b>Net cash flow from operating activities</b>		<b>372,108.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Assets		-
Acquisition of Assets		()
Proceeds from investments		-
Purchase of investments		(-)
<b>Net cash flows from Investing Activities</b>		
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>		
Proceeds from borrowings/ loans		-
Repayment of principal borrowings		-
<b>Net cash flow from financing activities</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>372,108.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>14,420.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>386,528.00</b>

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

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTH ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Textbooks and reference materials	1,620,098.00	xxx	1,620,098.00	342,732.00	1,277,366.00	21.15%
Exercise books	xxx	xxx	xxx	xxx	xxx	X
Laboratory equipment	xxx	xxx	xxx	xxx	xxx	X
Internal exams	xxx	xxx	xxx	xxx	xxx	X
Teaching / learning materials	xxx	xxx	xxx	xxx	xxx	X
Chalks	xxx	xxx	xxx	xxx	xxx	X
Exams and assessment	xxx	xxx	xxx	xxx	xxx	X
Teachers guides	xxx	xxx	xxx	xxx	xxx	X
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	xxx	xxx	xxx	xxx	xxx	X
Repairs and maintenance	1,405,000.00	xxx	1,405,000.00	617,966.00	787,037.00	44%
Local transport / travelling	xxx	xxx	xxx	xxx	xxx	X
Electricity and water	xxx	xxx	xxx	xxx	xxx	X
Medical	xxx	xxx	xxx	xxx	xxx	X

Half year Report and Financial Statements  
For six month period ended 30<sup>th</sup> June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Administration costs	2,060,292.00	xxx	2,060,292.00	1,484,795.00	575,497.00	72.06%
Activity	xxx	xxx	xxx	xxx	xxx	X
Gratuity	xxx	xxx	xxx	xxx	xxx	X
SMASSE	xxx	xxx	xxx	xxx	xxx	X
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	514,600.00	xxx	514,600.00	15,000.00	499,600.00	2.90%
Repairs and maintenance	398,400.00	xxx	398,400.00	8600.00	389800.00	2.15%
Local transport / travelling	107,900.00	xxx	107,900.00	1,200.00	106,700.00	1.11%
Electricity and water	813,400.00	xxx	813,400.00	20,400.00	793,000.00	2.51%
Medical	xxx	xxx	Xxx	xxx	xxx	X
Administration costs	307,100.00	xxx	307,100	22,500.00	304,850.00	0.7%
Activity	24,900.00	xxx	24,000.00	50.00	24,850.00	0.2%
SMASSE	xxx	xxx	Xxx	xxx	xxx	X
Fee on Boarding Equipment and Stores	6,090,910.00	xxx	6,090,910.00	177,015.00	5,913,895.00	2.90%
<b>OTHER INCOME</b>						
Rent income	xxx	xxx	Xxx	xxx	xxx	X
Income from farming activities	xxx	xxx	Xxx	xxx	xxx	X
Insurance compensation	xxx	xxx	Xxx	xxx	xxx	X
Income from Posho mill	xxx	xxx	Xxx	xxx	xxx	X
Income from Bus Hire	xxx	xxx	Xxx	xxx	xxx	X
Fee for hire of ground and	xxx	xxx	Xxx	xxx	xxx	X

**Half year Report and Financial Statements**  
**For six month period ended 30<sup>th</sup> June 2021**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
equipment						
Interest income	xxx	xxx	Xxx	xxx	xxx	X
Income from any other investment	xxx	xxx	Xxx	xxx	xxx	X
<b>TOTAL INCOME</b>	13,342,600.00		13,342,600.00	2,670,009.00	10,672,591.00	
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials	1,620,098.00	xxx	1,620,098.00	321,945.00	1,298,953.00	19.8%
Exercise books	xxx	xxx	Xxx	xxx	xxx	X
Laboratory equipment	xxx	xxx	Xxx	xxx	xxx	X
Internal exams	xxx	xxx	Xxx	xxx	xxx	X
Teaching / learning materials	xxx	xxx	Xxx	xxx	xxx	x
Chalks	xxx	xxx	Xxx	xxx	xxx	x
Exams and assessment	xxx	xxx	Xxx	xxx	xxx	x
Teachers guides	xxx	xxx	Xxx	xxx	xxx	x
Administration costs	xxx	xxx	Xxx	xxx	xxx	x
Bank Charges	xxx	xxx	Xxx	xxx	xxx	x
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	2,060,292.00	xxx	2,060,22.00	1,482,807.00	577,485.00	71.97%
Repairs, maintenance & improvements	1,405,000.00	xxx	1,405,000.00	64,840.00	1,340,160.00	4.6%

• Half year Report and Financial Statements  
For six month period ended 30<sup>th</sup> June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Local transport / travelling	xxx	xxx	Xxx	xxx	xxx	x
Electricity, water and conservancy	xxx	xxx	Xxx	xxx	xxx	x
Medical	xxx	xxx	Xxx	xxx	xxx	x
Administration costs	xxx	xxx	Xxx	xxx	xxx	x
Activity Expenses	xxx	xxx	Xxx	xxx	xxx	x
Gratuity	xxx	xxx	Xxx	xxx	xxx	x
SMASSE	xxx	xxx	Xxx	xxx	xxx	x
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	514,600.00	xxx	514,600.00	0	514600.00	0%
Repairs, maintenance and improvements	398,400.00	xxx	398,400.00	0	398,400.00	0%
Local transport / travelling	107,900.00	xxx	107,900.00	155,800.00	(47,900)	144.39%
Electricity, water and conservancy	813,400.00	xxx	813,400.00	13,000.00	800,400.00	1.59%
Medical Expenses	xxx	xxx	Xxx	xxx	xxx	x
Administration costs	307,100.00	xxx	307,100.00	31,200.00	275,900.00	10%
Activity	24,900.00	xxx	24,900.00	-	24,900.00	0%
Gratuity	xxx	xxx	Xxx	xxx	xxx	x
Lunch programme	xxx	xxx	Xxx	xxx	xxx	x
Boarding Equipment and Stores	6,090,910.00	xxx	6,090,910.00	459150.00	5,631,760.00	7.5%
Expenditure for Income	xxx	xxx	Xxx	xxx	xxx	x

**PUBLIC SEC. PRIMARY SCHOOL**  
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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Generating Activity						
Insurance costs	xxx	xxx	Xxx	xxx	xxx	x
Other expenses on investments	xxx	xxx	Xxx	xxx	xxx	x
Rent Expenses	xxx	xxx	Xxx	xxx	xxx	x
Bank Charges	xxx	xxx	Xxx	xxx	xxx	x
Loan Interest Repayment	xxx	xxx	Xxx	xxx	xxx	x
Loan Principal Repayment	xxx	xxx	Xxx	xxx	xxx	x
Acquisition of Assets	xxx	xxx	Xxx	xxx	xxx	x
<b>TOTALS</b>	<b>13,342,600.00</b>	<b>xxx</b>	<b>13,342,600.00</b>	<b>2,527,942.00</b>	<b>10,814,658.00</b>	<b>x</b>

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

- i. The school has only received 17.06 % of the expected revenue.
- ii. The school has only utilized 23.28% of the fees collected for 1<sup>st</sup> January to 30<sup>th</sup> June 2021 .due to poor fees collection after the outbreak of corona virus.

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

KINNA SECONDARY SCHOOL  
**PUBLIC SECONDARY SCHOOL**  
**Half year Report and Financial Statements**  
**For six month period ended 30<sup>th</sup> June 2021**

X.NOTES TO THE FINANCIAL STATEMENTS

1.CAPITATION GRANT FOR TUITION

	<b>2021</b>
	<b>Kshs</b>
Textbooks and reference materials	xxx
Exercise books	xxx
Laboratory equipment	xxx
Internal exams	xxx
Teaching / learning materials	xxx
Chalks	xxx
Exams and assessment	xxx
Teachers guides	xxx
<b>Total</b>	<b>342,732.00</b>

2.CAPITATION GRANT FOR OPERATIONS

	<b>2021</b>
	<b>Kshs</b>
Personnel emoluments	xxx
Repairs and maintenance	xxx
Local transport / travelling	xxx
Electricity and water	xxx
Medical	xxx
Administration costs	xxx
Activity	xxx
<b>Total</b>	<b>2,102,762.00</b>

3.PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	<b>2021</b>
	<b>Kshs</b>
Personnel emoluments	15,000.00
Repairs and maintenance	8,600.0
Local transport / travelling	1,200.00
Electricity and water	20,400.00
Medical	-
Administration costs	2,250.00
Activity	50.00
<b>Total</b>	<b>47,500.00</b>

4.OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	<b>2021</b>
	<b>Kshs</b>
Fee on Boarding Equipment and Stores	177,015.00
Rent income	Xxx
Income from farming activities	Xxx
Insurance compensation	Xxx
Income from Posho mill	Xxx
Income from Bus Hire	Xxx
Fee for hire of ground and equipment	Xxx
Income from grants and donations*	xxx
Interest income	Xxx
Dividends income	xxx
<b>Total</b>	<b>177,015.00</b>

5. PAYMENTS FOR TUITION

	<b>2021</b>	
	<b>Kshs</b>	
Textbooks and reference materials	205,370.00	
Exercise books	xxx	
Laboratory equipment	xxx	
Internal exams	xxx	
Teaching / learning materials	114,935.00	
Chalks	xxx	
Exams and assessment	xxx	
Teachers guides	xxx	
Administration Costs	xxx	
Bank Charges	840.00	
<b>Total</b>	<b>321,145.00</b>	

6. PAYMENTS FOR OPERATIONS

	<b>2021</b>	
	<b>Kshs</b>	
Personnel emoluments/othervotes	1,446,127.00	
Service Gratuity	xxx	
Administration Cost	xxx	
Repairs and maintenance & improvements	64,840.00	
Local transport / travelling	xxx	
Electricity and water	xxx	
Medical	xxx	
Activity Expenses	xxx	
SMASSE	xxx	
Salary advance	28,212.00	
Insurance Cost(Nhif)	32,000.00	
Bank Charges	4,680.00	
Acquisition of Assets	xxx	
<b>TOTAL</b>	<b>1,575,859.00</b>	

7. BOARDING AND SCHOOL FUND PAYMENTS

	<b>2021</b>	
	<b>Kshs</b>	
Personnel emoluments	xxx	
Service Gratuity	xxx	
Repairs and maintenance & Improvements	xxx	
Local transport / travelling	155,800.00	
Electricity and water	13,000.00	
Medical Expenses	xxx	
Administration costs	31,200.00	
Lunch Programme	xxx	
Bank Charges	1450.00	
Expenses on Income Generating Activities	xxx	
Fee on Boarding Equipment and Stores	457,700.00	
Rent Expenses	xxx	
Insurance Cost (Life Property)	xxx	
Loan Principal repayment	xxx	
Loan Interest repayment	xxx	
Imprest	20,000.00	
Acquisition of Assets	xxx	
<b>TOTAL</b>	<b>679,150.00</b>	

*Expenses on income generating activities\*\* should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

8.BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021
		Kshs
Tuition Account	10111203000089	4,554.00
Operations Account	10111203000013	(59,923.00)
School Fund Account/Boarding	1103263366	18,897.00
Savings Account	--	xxx
Parent Association Development Account	-	xxx
Income generating activities Account	-	xxx
Infrastructural Account	-	-
<b>Total</b>		<b>(36,472.00)</b>

9.CASH IN HAND

Description	2021
	Kshs
Tuition Account	xxx
Operation Account	205,000.00
School Fund account	218,000.00
<b>Total</b>	<b>423,000.00</b>

10.SHORT TERM INVESTMENTS

Description	2021
	Kshs
Cooperative shares	xxx
Treasury Bills	xxx
Fixed deposit	xxx
Equity stock	xxx
Other investments	xxx
<b>Total</b>	<b>xxx</b>

11. ACCOUNTS RECEIVABLE

Description	2021
	Kshs
Fees arrears	31,366,340.00
Other non-fees receivables	xxx
Salary advances	-
<b>Total</b>	<b>31,366,340.00</b>

[Include an ageing of the fees / non fees arrears below]

Description	2021
	Kshs
Fees arrears for current year	3,014,340.00
Fees arrears for the previous year	3,878,500.00
Fees arrears for prior periods (over two years)	24,473,500.00
<b>Total</b>	<b>31,366,340.00</b>

12. ACCOUNTS PAYABLE

Description	2021
	Kshs
Trade creditors (See ageing below and appendix 1)	6,412,610.00
Prepaid fees	-
Retention monies(caution)	657,553.00
Bank overdraft	36,472.00
<b>Total</b>	<b>7,106,635.00</b>

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

Description	2021
	Kshs
Trade creditors for current year	128,004.00
Trade creditors for the previous year	460,965.00
Trade creditors for prior periods (over two years)	5,823,641.00
<b>Total</b>	<b>6,412,610.00</b>

13. FUND BALANCE BROUGHT FORWARD

<b>Description</b>	<b>2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	-	13,073.00
Cash balances	423,000.00	-
Short Term Investments	-	-
Receivables	<b>31,366,340.00</b>	28,351,999.00
Payables	<b>7,106,635.00</b>	3,776,223.00
<b>Total</b>	<b>24,682,705.00</b>	<b>24,588,850.00</b>

**Other important disclosure notes**

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

14. Non-current Liabilities Summary

<b>Description</b>	<b>2021</b>
	<b>Kshs</b>
Bank loan(s)	xxx
Outstanding Leases	xxx
Hire purchase	xxx
Gratuity and leave provision	xxx
<b>Total</b>	<b>xxxx</b>

15. Biological assets

Description	Numbers	2021
		Ks
Cattle	-	xxx
Goats	-	xxx
Trees	-	xxx
Coffee or tea plantation	-	xxx
Poultry	-	xxx
<b>Total</b>	-	<b>xxx</b>

16. Borrowings

Description	2021
	KShs
<b>a) Borrowings</b>	
Borrowing at beginning of the year	xxx
Borrowings during the year	xxx
Repayments of during the year	(xxx)
<b>Balance at end of the year</b>	<b>xxx</b>

17. Stock/ Inventory

Description	2021
	KShs
<b>b) Borrowings</b>	
Stock/ inventory at beginning of the year	659,500.00
Stock/ inventory purchased during the year	1,170,480.00
Stock/ inventory issued during the year	(1,020,500.00)
<b>Balance at end of the year</b>	<b>809,480.00</b>

**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.

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

KINNA SECONDARY SCHOOL  
**PUBLIC SECONDARY SCHOOL**  
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1.	-					
2.	-					
3.	-					
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4.Rose nkarichia	36,000.00	1/7/21	0.00	36,000.00	36,000.00	
5.Ahmed wako	184,600.00	1/7/21	100,000.00	84,600.0	84,600.0	
6. Habiba happi	202,650.00	1/7/21	0.00	202,650.00	202,650.00	
7..Muslima Ali	6,000.00	-	-	6,000.00	6,000.00	
8.Kinna young investment	631,550.00	1/7/21	0.00	481,550.00	481,550.00	
9.Aljazira wholesalers	655,200.00	1/7/21	0.00	355,200.00	355,200.00	
10..Hadija diba	1,105,000.00	1/7/21	530,900.00	574,100.00	574,100.00	
<b>Sub-Total</b>				<b>1,740,100.00</b>	<b>1,740,100.00</b>	
<b>Supply of services</b>						
11.Nssf				128,004.00	128,004.00	
12.Sch.fund acc(Transfer)				2112,636.00	2,112,636.00	
13..Operation acc(Transfer)				2,441,779.00	2,441,779.00	
14..Tuition acc(Transfer)				684,116.00	684,116.00	
<b>Sub-Total</b>				<b>5,366,535.00</b>	<b>5,366,535.00</b>	
<b>Grand Total</b>				<b>7,106,635.00</b>	<b>7,106,635.00</b>	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> jan2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2021</b>
Land 1			30acres			30acres
Land 2						
Buildings and structures			21,300,000.00			21,300,000.00
Motor vehicles						
Office equipment, furniture and fittings			450,000.00			450,000.00
ICT Equipment, and Other ICT Assets			1,200,000.00			1,200,000.00
Tools and apparatus			178,730.00			178,730.00
Textbooks			2,543,710.00			2,543,710.00
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
<b>Total</b>			<b>25,672,440.00</b>			<b>25,672,440.00</b>