

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

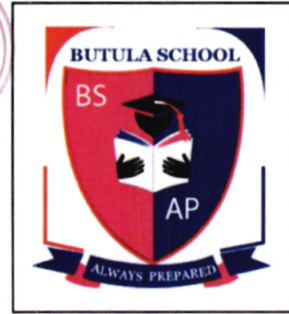
ON

BUTULA BOYS HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2024**

BUSIA COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2025	DAY: Tuesday
TABLED BY:	Hon. Kimani Ichung'wa, MP Leader of Majority
CHIEF AT	Ann Shikuku



BUTULA BOYS HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

Table of Contents	Page
1. Acronyms and Definition of Terms.....	ii
2. Key School Information and Management	iii
3. Summary Report of Performance of The School	ix
4. Statement of School Management Responsibility.....	xv
5. Report Of The Independent Auditors <i>(To be attached)</i>	xvi
6. Statement Of Receipts and Payments For the Year Ended 30 th June 2024.....	1
7. Statement of Assets and Liabilities As At 30 th June 2024	2
8. Statement of Cash Flows for the Year Ended 30 th June 2024	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2024.....	5
10. Significant Accounting Policies	10
11. Notes To The Financial Statements.....	13
12. Annexes	23

1. Acronyms and Definition of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free day secondary Education

2. Key School Information and Management

(a) Background information

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

The school was registered in 2017 under registration number 40500000116 and is currently categorized as a national public school established, owned or operated by the Government.

The school is a boarding school and had 1723 numbers of students as at 30th June 2024. It has 03 streams and 68 teachers of which 18 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	PROF.PIUS ODUNGA	Chairman	21/MAY/2022
2	MR.OUMA DANIEL	Secretary – Principal	21/MAY/2022
3	PROF.LINET GAHOLE	Member	21/MAY/2022
4	DR.MARK ODERO	Member	21/MAY/2022
5	DR.RAHAB KAMAU	Member	21/MAY/2022
6	DR.GEORGE ODHIAMBO	Member	21/MAY/2022
7	DR.MELVIN OUMA	Member	21/MAY/2022
8	MR.EPHRAIM KONZOLO	Member – Rep CEB	21/MAY/2022
9	MR.EDWIN OPAKASI	Member Rep Teachers	21/MAY/2022
10	REV.FR.JAMES OTANGA	Members – Sponsor	21/MAY/2022
11	Ms.DIANA OLENJE	Members – Sponsor	21/MAY/2022
12	MR.JOSEPH ONYANGO	Members – Sponsor	21/MAY/2022
13	ENG.JOSEPH AGUMBA	Members	21/MAY/2022
14	MS.SUSAN DARYA	Members	21/MAY/2022
15	MR.OWINO OPONDO	Member – Community	21/MAY/2022
16	DR.ODABA DAVID	Vice-chairman	21/MAY/2022
17	MR.GEORGE OLEWE	Rep Students	21/MAY/2022

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof.Pius O.Odunga Pro.Linet Gohole Mr.Owino Opondo Mr.Daniel O.Ouma	BOM Chairman P.A Chairman Principal	3
2	Audit Committee	Mr.Owino Opondo DR.Mark Kita Ms.Susan Darya Mr. Daniel Ouma		2
3	Finance,procurement and general purposes Committee	Pro.Linet Gohole Dr.Rahab Kamau Mr.Joseph Opondo Mr.George Olewe		2
4	Academic Committee	Mr. Joseph Opondo Dr.George Odhiambo Ms. Getrude Galia Mr.Ephraim Konzolo S.C.D.E		3
5	Development Committee	S.C.D.E Mr.Ouma Daniel Prof.Pius Odunga Mr.Mukabi George Ms.Diana Olenja Mr. Owino Opondo ENG.Moses Agumba		6

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

6	Discipline and welfare Committee	Mr. Joseph Opondo Dr. George Odhiambo Ms. Melvin Ouma Mr. Ephraim Konzolo S.C.D.E		3
7	Adhoc Committee (if any during the year)	N/A		

(d) School operation Management

For the financial year ended 30th June 2024 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	DANIEL OUMA ONYANGO	349264
2	Deputy Principal	GEORGE MUKABI	304661
3	School Bursar	GEOFFREY ETILA	29508515
4	Other (specify)		

(e) Schools contacts

Post Office Box: PRIVATE BAG-50405 BUTULA
Telephone: 0115999583
E-mail: butulahigh@gmail.com
Website: www.butulahigh.co.ke
Facebook:
Twitter:

(f) School Bankers

1. Name of Bank: National Bank of Kenya
Branch: BUSIA
Account Number: 01021054617801
2. Name of Bank: National Bank of Kenya
Branch: BUSIA
Account Number: 01242054617801
3. Name of Bank: National Bank of Kenya
Branch: BUSIA
Account Number: 01025054617800
4. Name of Bank: Kenya Commercial Bank
Branch: BUSIA
Account Number: 1265473099
5. Name of Bank: National Bank of Kenya
Account Number: 01022054617800
6. MPESA Pay Bill No. 522123, attached to KCB Bank Account
7. MPESA Pay Bill No. 502688, attached to NBK Bank Account

(g) Independent Auditors

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

3. Summary Report of Performance of the School

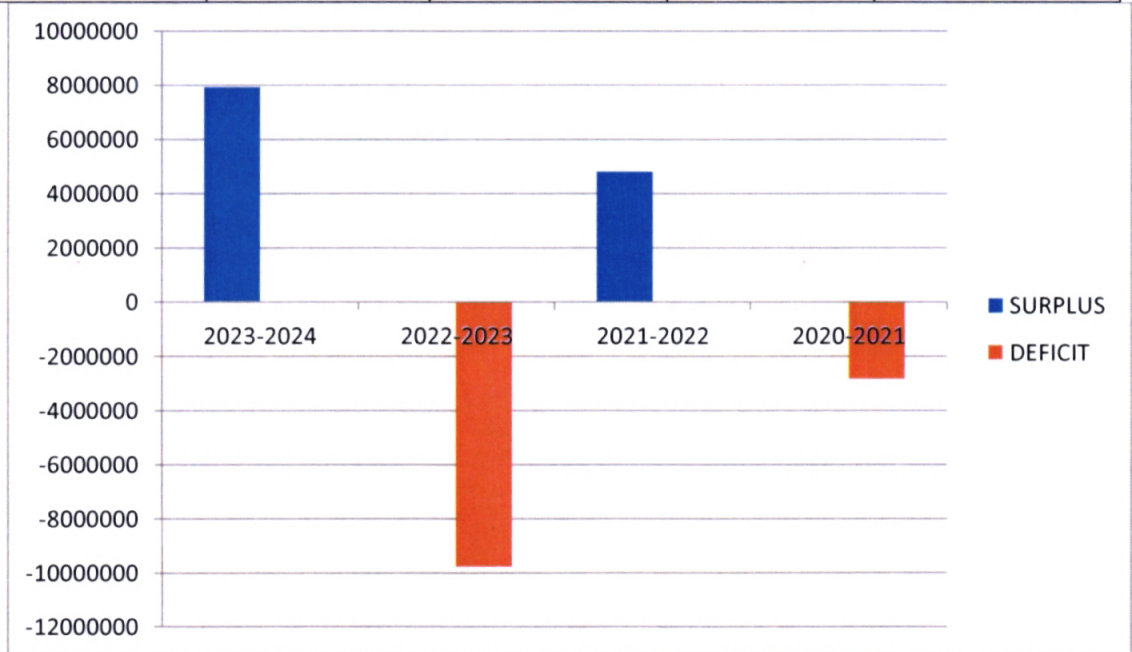
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

(Under this section, the following information should be given:

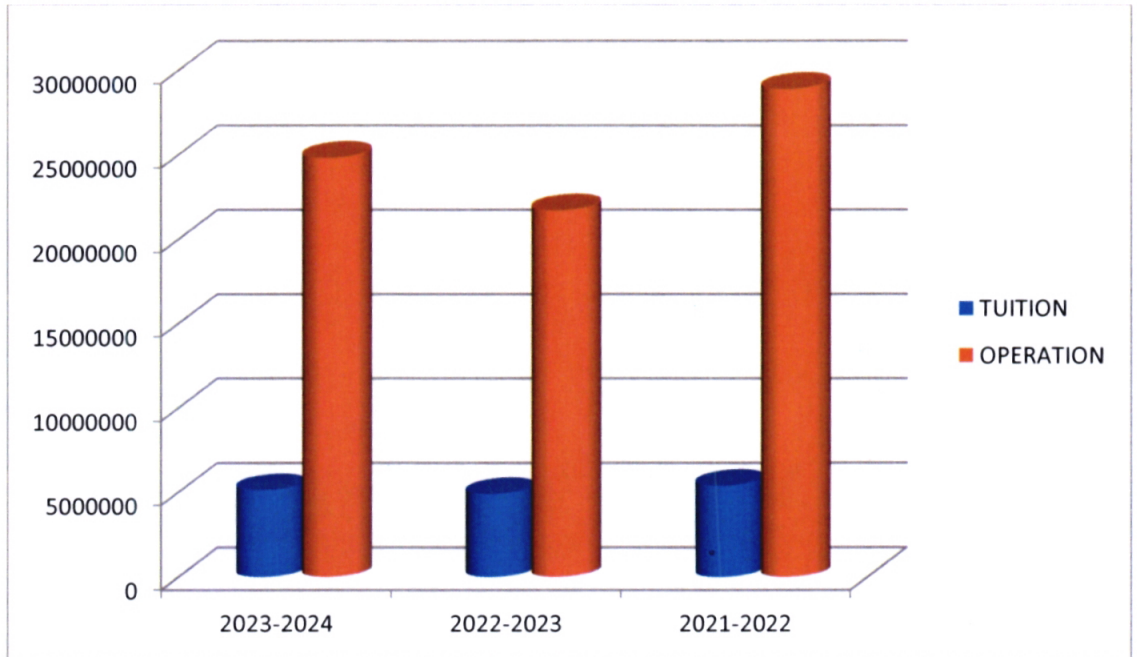
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

<i>YEAR</i>	2023-2024	2022-2023	2021-2022	2020-2021
<i>SURPLUS</i>	7,913,552		4,804,050	
<i>DEFICIT</i>		(9,777,906)		(2,850,401)



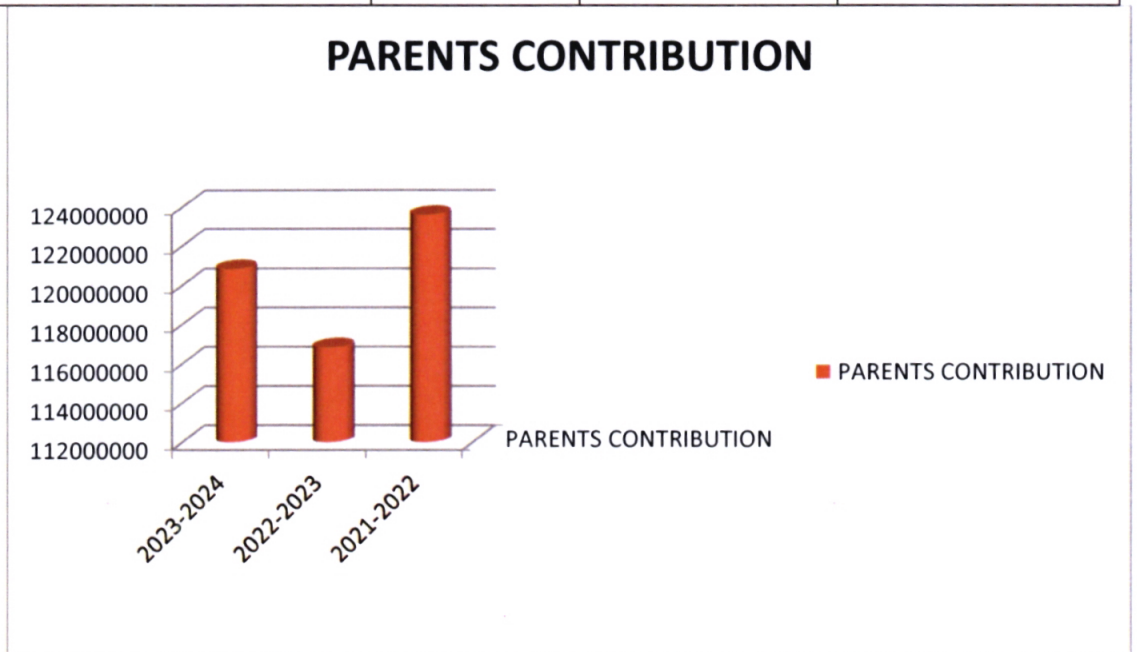
- *Capitation grants from the Ministry of Education for the last three years*

<i>YEAR</i>	2023-2024	2022-2023	2021-2022
<i>TUITION</i>	5,121,572	4,885,579	5,369,129
<i>OPERATION</i>	24,816,706	21,710,274	28,889,173



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

YEAR	2023-2024	2022-2023	2021-2022
PARENTS CONTRIBUTION	120,832,168	116,832,180	123,588,474

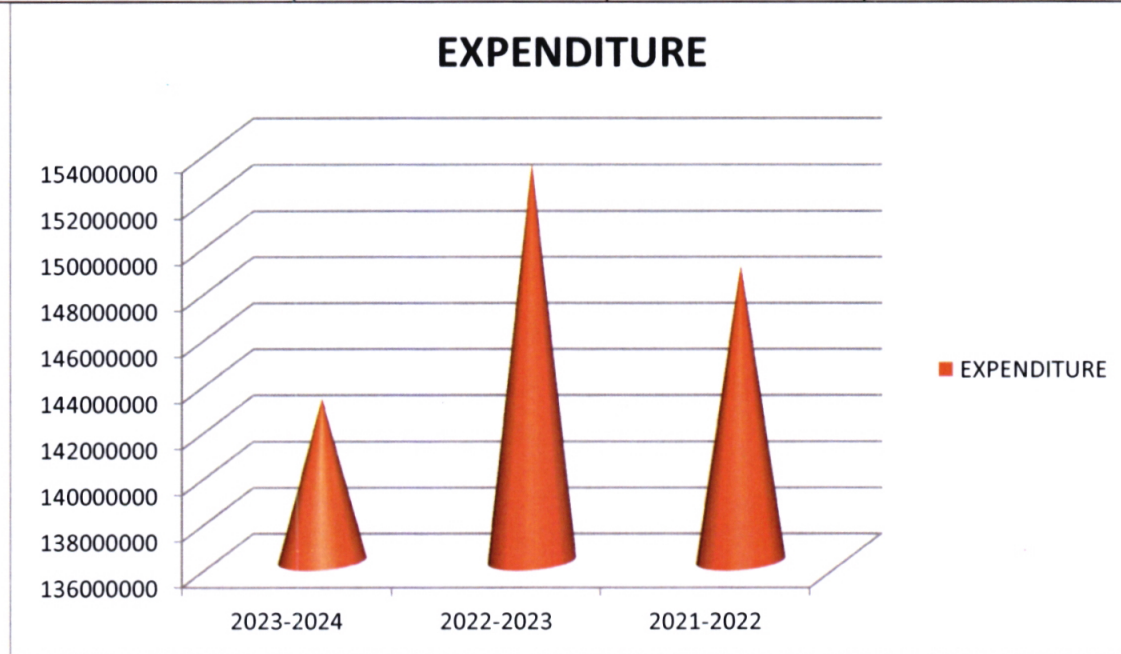


BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

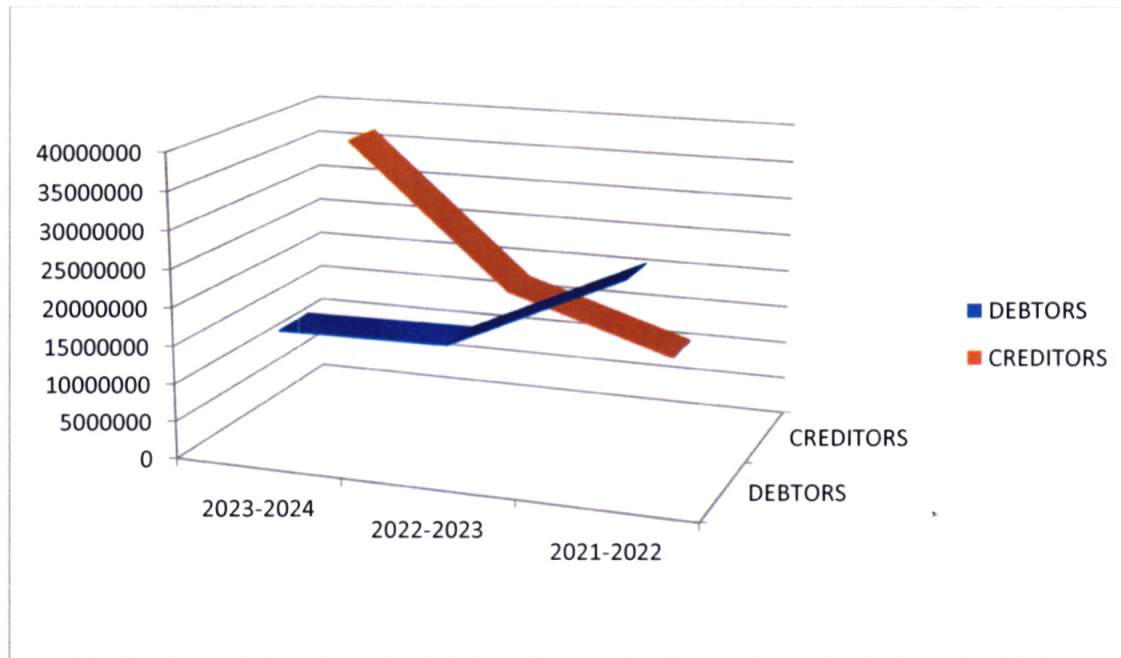
- *A three-year overview of growth in expenditure of the school*

YEAR	2023-2024	2022-2023	2021-2022
EXPENDITURE	143,013,894	153,205,940	148,817,121



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

YEAR	2023-2024	2022-2023	2021-2022
DEBTORS	16,307,880	16,576,884	26,923,861
CREDITORS	37,008,183	17,845,792	10,981,493



b) Teacher Student ratio:

<i>Teachers employed by TSC</i>	50
<i>Teachers employed by BOM</i>	18
<i>Teachers retired</i>	00
<i>Teachers posted</i>	00
<i>Teachers Transferred</i>	00
<i>Teachers to student ratio</i>	25: 1 teacher

c) Mean score in the 2023 KCSE:

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN SCORE</i>	<i>MEAN GRADE</i>
2023	361	9.1	B
2022	306	9.27	B
2021	318	7.63	B-

d) Number of Candidates in the 2023 KCSE:

<i>YEAR</i>	<i>CANDIDATES</i>
2023	361
2022	306
2021	318

e) Capacity of the school: 1,723

<i>DINNING HALL</i>	<i>01</i>
<i>LAB</i>	<i>07</i>
<i>CLASSROOM</i>	<i>30</i>
<i>DORM</i>	<i>19</i>
<i>TOILETS</i>	<i>57 DOORS</i>
<i>KITCHEN</i>	<i>02</i>
<i>LIBRARY</i>	<i>01</i>
<i>STAFFROOM</i>	<i>01</i>

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
CONSTRUCTION OF ULTRA MODERN LAB PHASE II	MOE	Complete	33,734,186	33,734,186	Complete



.....
School Principal


4. 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.

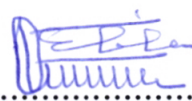
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *BUTULA BOYS HIGH 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, 2024, and of the school's financial position as at that date.

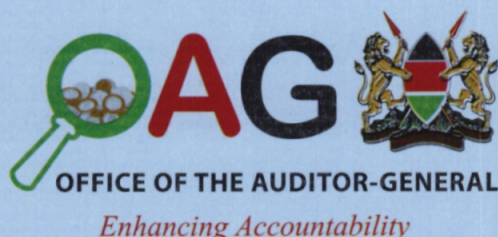

.....
Name: PROF MRS ODUNGA
Designation: Chairman, School Board of Management
Date: 30/6/24


.....
Name: Ornel D. Onyango
Designation: School Principal & Secretary to Board of Management
Date:


.....
Name: G. GEORGE ERIKA
Designation: Bursar/ Finance Officer
Date: 30/6/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BUTULA BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – BUSIA COUNTY

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Butula Boys High School set out on pages 1 to 22, which comprise the statement of assets and liabilities as at

30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Butula Boys High School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.115,307,811 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices for Kshs.16,307,880 were provided for audit leaving an unsupported balance of Kshs.98,999,931. Further, the statement of assets and liabilities reflects a balance of Kshs.115,307,811 while Note 13 to the financial statements reports the amount as Kshs.110,695,015 resulting to an unexplained variance of Kshs.4,612,796.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.115,307,811 could not be confirmed.

2. Long Outstanding Accounts Receivable

The statement of assets and liabilities reflect accounts receivable balance of Kshs.115,307,811 as disclosed in Note 13 to the financial statements. However, included in the balance are receivables amounting to Kshs.59,681,418 which had been outstanding for more than three (3) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.59,681,418 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Butula Boys High 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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of internal controls, Risk Management and Governance which were unresolved as at 30 June, 2024.

Other Information

The Management is responsible for the other information set out on page iii to xv which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed ten thousand six hundred

and three (10,603) books to the School while only six thousand three hundred and ninety-five (6,395) books were issued to the students, resulting to an unexplained excess text books of four thousand two hundred and eight (4,208) books in the School's store.

In the circumstances, value for money on the excess four thousand two hundred and eight (4,208) text books could not be confirmed.

2. Unconfirmed Student Enrolment Data

Review of documents provided for audit revealed discrepancies between the data from the National Education Management Information System (NEMIS) with the School's enrolment records. NEMIS reported a total number of two thousand two hundred and ninety-five (2,295) students while the School's enrolment records indicated two thousand two hundred and thirty-eight (2,238) students resulting to an unexplained variance of fifty seven (57) students translating to Kshs.236,854. This was contrary to the Ministry of Education Circular no. MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

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

3. Unapproved Fees on Parents' Association Support Program

The statement of receipts and payments reflects school fund income - parents' contributions amount of Kshs.120,832,168 as disclosed in Note 4 to the financial statements. The amount includes PTA development of Kshs.9,502,653. As previously reported, examination of the records revealed that the School charged an amount of Kshs.5,000 per student to support the programme which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Ministry of Education Circular no. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education which stipulates that parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee's structure and lunch for the day scholars.

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

4. Accounting for Other Receipts

The statement of receipts and payments reflects total receipts balance of Kshs.150,927,446. Included in this amount is Kshs.157,000 in respect of miscellaneous income (hire of bus) as disclosed in Note 5 to the financial statements. However, the School did not open a separate bank account as stipulated by the Ministry of Education Circular Ref: MOE.HQS/3/13/3 dated 16 June, 2021.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Prepare and Maintain a Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets balance of Kshs.162,957,000. Although Management maintained a schedule of fixed assets, the schedule did not contain all information required including identification or serial number, acquisition date, location, class, accumulated depreciation, net book value and assets tag identification code. As a result, the total value of assets balance of Kshs.162,957,000 disclosed in the financial statements could not be traced in the assets register. Further, valuation report on the assets was not provided for audit.

In the circumstances, the existence of an effective mechanism to safeguard assets 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 controls, 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 the Management and the Board of Management

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to close the School or 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 June, 2025


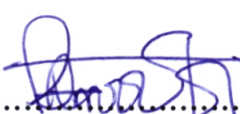
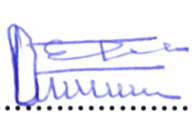
BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

6. Statement of Receipts and Payments for the Year Ended 30th June 2024

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	5,121,572	4,885,579
Government grants for operations	2	18,071,456	16,443,274
Government Grants for infrastructure	3	6,745,250	5,267,000
School fund income- parents' contributions	4	120,832,168	116,832,180
Miscellaneous incomes	5	157,000	36,000
Total Receipts		150,927,446	143,464,033
Payments			
Tuition	6	3,474,023	5,034,900
Operations	7	18,374,004	12,265,389
Infrastructure	8	5,143,037	6,760,974
Boarding and school fund	9	116,022,831	129,144,677
Total Payments		143,013,894	153,205,940
Surplus/Deficit		7,913,552	(9,741,906)

The school financial statements were approved on 10/8 2024 and signed by:

		
.....
Name: Prof Peter Odunga	Name: Daniel D. Onyango	Name: GEOFREY ETIKA
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 10/8/24	Date: 10/8/2024	Date: 10/8/2024

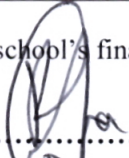

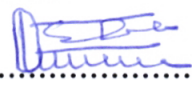
BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

7. Statement of Assets and Liabilities as At 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	23,498,341	15,142,510
Cash balances	11	109,934	552,213
Short term investments	12	-	-
Total cash and cash equivalent		23,608,275	15,694,723
Account's receivables	13	115,307,811	96,145,420
Total financial assets		138,916,086	111,840,143
Financial liabilities			
Accounts payables	14	37,008,183	17,845,792
Net financial assets		101,907,903	93,994,351
Represented by			
Accumulated fund b/fwd	15	93,994,351	103,736,258
Surplus/deficit for the year		7,913,552	(9,741,906)
Net financial position		101,907,903	93,994,351

The school's financial statements were approved on 10/8 2024 and signed by:

Name: PROF PIUS ODUNGA Name: James D. Omyango Name: GEORGE ETIKA
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
 Date: 10/8/24 Date: 10/8/2024 Date: 10/8/2024



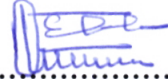
8. Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	5,121,572	4,885,579
Government grants for operations	2	18,071,456	16,443,274
Government grants for infrastructure	3	6,745,250	5,267,000
School fund income- parents contributions/ fees	4	120,832,168	116,832,180
Other income	5	157,000	36,000
Total receipts		150,927,446	143,464,033
Payments			
Cash outflows for tuition	6	3,474,023	5,034,900
Cash outflows for operations	7	18,374,004	12,265,389
Cash outflows for infrastructure	8	-	6,760,974
Cash outflows Boarding/lunch and school fund payments	9	116,022,831	129,144,677
Total payments		137,870,857	153,205,940
Net cash inflow/outflow from operating activities		13,056,589	(9,741,906)
Cash flow from investing activities			
Acquisition of assets		(5,143,037)	-
Proceeds from sale of Assets			-
Proceeds from investments			-
Purchase of investments			-
Net cash inflow/outflows from investing activities		(5,143,037)	(9,741,906)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		-
Repayment of principal borrowings			-
Net cash inflow/outflow from financing activities			-
Net increase/decrease in cash and cash equivalents		7,913,552	(9,741,906)
Cash and cash equivalent at beginning of the 2021-2022		15,694,723	25,436,630
Cash and cash equivalent at end of the 2022-2023		23,608,275	15,694,723

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

The school's financial statements were approved on 10/8 2024 and signed by:

		
.....
Name: PROF PIUS ODUMA	Name: Omer D. Omyango	Name: GEOFREY ETILA
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 10/8/24	Date: 10/8/2024	Date: 10/8/2024

9. Statement Of Budgeted Versus Actual Amounts for the Year Ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Exercise books					
Internal exams					
Teaching / Learning Materials	8,288,000	-	8,288,000	5,121,572	62%
Chalk					
Bank charges					
Sub total	8,288,000	-	8,288,000	5,121,572	62%
<i>(2) Capitation Grant on Operations</i>					
Personnel emoluments	11,294,407	-	11,294,407	7,895,250	70%
Local transport / travelling	4,610,819	-	4,610,819	3,052,862	66%
Electricity and water	6,147,759	-	6,147,759	4,070,483	66%
Administration costs	4,610,819	-	4,610,819	3,052,862	66%
Activity	3,000,000		3,000,000		
Medical and insurance	4,000,000		4,000,000		
Sub total	33,663,804	-	33,663,804	18,071,456	54%
<i>3) FDSE for infrastructure</i>					
M & I MOE	10,000,000	-	10,000,000	6,745,250	68%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
PTA					
Development fee					
Economic stimulus grants					
Sub total	10,000,000	-	10,000,000	6,745,250	68%
<i>(4) Fees Charged on Parents</i>					
BES	60,770,000	-	60,770,000	56,981,465	94%
RMI	4,000,000	-	4,000,000	4,162,434	104%
Local transport / travelling	8,931,300	-	8,931,300	7,517,931	84%
Electricity and water	11,908,400	-	11,908,400	10,274,506	86%
Activity	1,596,000	-	1,596,000	1,588,097	100%
Arrears recovered				13,983,300	
Personnel emoluments	10,971,000	-	10,971,000	9,252,056	84%
Administration costs	8,931,300	-	8,931,300	7,517,931	84%
PTA/DEV	10,000,000	-	10,000,000	9,502,653	95%
Uniform				51,795	
Academic programm					
Sub total	117,108,000	-	117,108,000	120,832,168	103%
<i>5) Miscellaneous Income</i>					
KCSE					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Computer fees					
Canteen					
Income from Bus Hire				157,000	
Bakery					
Tender					
Sub total				157,000	
Total Income	169,059,804	-	169,059,804	150,927,446	89%
<i>(6) Expenditure For Tuition</i>					
Textbooks					
Exercise books					
Internal exams					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	8,288,000	-	8,288,000	3,474,023	42%
Payables					
Bank charges					
Sub total	8,288,000	-	8,288,000	3,474,023	42%
<i>(7) Expenditure For Operations</i>					
Personnel emoluments	11,294,407	-	11,294,407	7,288,731	65%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Local transport / travelling	4,610,819	-	4,610,819	1,576,668	34%
Electricity and water	6,147,759	-	6,147,759	2,102,224	34%
Administration costs	4,610,819	-	4,610,819	2,477,004	54%
Activity					
RMI				1,313,309	
BOM teachers				1,912,118	
Bank charges					
Recoveries				1,703,949	
Sub total	26,663,804	-	26,663,804	18,374,004	69%
<i>(8) Expenditure For infrastructure</i>					
Construction of ultra-modern laboratory	8,000,000	-	8,000,000	4,734,186	59%
Construction of LAB					
VAT				76,213	
Withholding tax				332,638	
Payables					
Sub total	8,000,000	-	8,000,000	5,143,037	64%
<i>(9) Expenditure For school fund/lunch/boarding</i>					
BES	60,770,000	-	60,770,000	55,639,422	92%
RMI	4,000,000	-	4,000,000	2,201,200	55%
Local transport / travelling	8,931,300	-	8,931,300	4,855,523	54%
Electricity and water	11,908,400	-	11,908,400	6,635,882	56%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Activity	1,596,000	-	1,596,000	1,561,255	98%
Payables				16,695,640	
Personnel emoluments	10,000,000	-	10,000,000	8,737,713	87%
Administration costs	8,931,300	-	8,931,300	5,208,335	58%
PTA/DEV	10,000,000	-	10,000,000	6,564,200	66%
Rental income					
Bus hire				113,050	
Recoveries				2,908,847	
BOM teachers				519,954	
School magazine				200,000	
Tender					
Uniform				4,177,310	
Academic program				4,500	
Sub total	116,137,000	-	116,137,000	116,022,831	100%
Totals expenditure	159,088,804		159,088,804	143,013,894	90%

i. Under capitation grants from MOE most vote heads were below 90% due to under funding from the ministry.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024.

11. Notes to the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	5,121,572	4,885,579
Chalks		
Exams And Assessment		
Teachers Guides		
Total	5,121,572	4,885,579

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	7,895,250	6,914,587
Local transport / travelling	3,052,862	2,074,376
Electricity and water	4,070,483	2,765,835
BOM teachers		2,594,460
Administration costs	3,052,862	2,094,017
Activity		
Total	18,071,456	16,443,274

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & improvement MOE	6,745,250	5,267,000
PTA		
Economic stimulus grants		
Total	6,745,250	5,267,000

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	9,252,056	17,081,896
Fee on Boarding Equipment and Stores	56,981,465	50,081,650
Academic programme		1,400
Maintenance and Improvement		3,515,262
Local transport / travelling	7,517,931	5,141,883
Electricity and water	10,274,506	6,832,759
Uniform	120,628	11,027,383
Uniform & other items		
PTA/Development	9,502,653	10,981,462
Commission		
RMI fees	4,162,434	
Fees recovery	13,914,467	5,243,062
Administration costs	7,517,931	5,124,569
Activity	1,588,097	1,800,856
Total	120,832,168	116,832,180

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Fee On Boarding Equipment and Stores		
Lost books		
Income From Farming Activities		
Insurance compensation		
Income From Posho Mill		
Income From Bus Hire	157,000	36,000
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Total	157,000	36,000

Notes to the Financial Statements (continued)

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books		
Chalk		
Laboratory Equipment		1,399,000
Internal exams		
Teaching / learning materials	3,474,023	2,140,900
Payables		1,495,000
Lab		
Bank Charges		
Total	3,474,023	5,034,900

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	7,288,731	4,433,345
BOM Teachers	1,912,118	2,594,461
Administration Cost	2,477,004	1,330,003
Local transport / travelling	1,576,668	1,330,003
Electricity and water	2,102,224	1,773,338
RMI	1,313,309	
Recoveries	1,703,949	
Payables		474,439
Total	18,374,004	12,265,389

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
construction of ultra-modern laboratory	4,734,186	6,760,974
Construction of ablution blocks		
VAT	76,213	
withholding tax	332,638	
Total	5,143,037	6,760,974

9 Boarding and School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	8,737,713	16,976,236
RMI	2,201,200	
Maintenance & Improvements		1,150,000
Uniform	4,177,310	10,235,500
Activity Expenses	1,561,255	1,477,500
Recoveries	2,908,847	
PTA/Development	6,564,200	10,780,456
Local transport / travelling	4,855,523	5,090,871
Electricity and water	6,635,882	6,790,494
Medical Expenses-BUNOTESWA		1,670,202
Bus hire	113,050	
BOM Teachers	519,954	864,990
KESSHA		1,600,000
Administration costs	5,208,335	5,092,871
Fee on Boarding Equipment and Stores	55,639,422	55,625,907
ELIMU SACCO		204,600
Bank charges		3,200
Payables	16,695,640	11,506,850
Academic program	4,500	
School magazine	200,000	75,000
Total	116,022,831	129,144,677

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	ACTIVE	01025054617800	1,727,440	11,058
Operations Account	ACTIVE	01242054617801	8,830,104	5,413,720
School Fund Account nbk	ACTIVE	01021054617801	7,089,338	1,733,237
School fund kecb	ACTIVE	1265473099		
Saving account				
Income Generating Activities Account				
Infrastructural Account	ACTIVE	01022054617800	5,851,459	7,984,495
Total			23,498,341	15,142,510

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	109,934	552,213
Total	109,934	552,213

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	110,695,015	94,387,135
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Recoveries	4,612,796	1,758,285
Total	115,307,811	96,145,420

13 b Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	16,307,880	14%	16,576,884	18%
Between 1- 2 years	16,561,384	15%		
Between 2-3 years	22,757,129	21%	22,741,629	24%
Over 3 years	59,681,418	50%	55,068,622	58%
Total (should tie to note 13 a)	115,307,811	100%	94,387,135	100%

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	37,008,183	17,845,792
Prepaid Fees		-
Retention Monies		
Unpaid salaries and statutory deductions		
Recoveries		
Other payables (specify)		
Total	37,008,183	17,845,792

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	37,008,183	100%	17,845,792	100%
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)	37,008,183	100%	17,845,792	100%

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	15,142,510	25,243,644
Cash Balances	552,213	192,985
Short Term Investments	-	-
Receivables	96,145,420	89,832,402
Payables	(17,845,792)	(11,532,774)
Total	93,994,351	103,736,258

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	11	170,000	170,000
Goats			
Trees	120	50,000	50,000
Coffee Or Tea Plantation			
Poultry			
Total	131	220,000	220,000

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year		
Borrowings during the year		
Repayments during the year		
Balance at the end of the year		

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Other important disclosure notes

19 Stock/ Inventory

Description	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Food stuffs	2,913,552	2,026,841
Lab consumables	1,230,000	790,841
Farm produce		
Medication		
Construction Materials		1,236,000
Others (specify)		
Total	4,143,552	3,790,841


20 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)

ATTACHED

Sign and Date
Principal


10/8/2024

BUTULA BOYS' HIGH SCHOOL

P.O. PRIVATE BAG - 50405, BUTULA

Email: butulahigh@gmail.com



MOBILE: 0115999583

Website: www.butulahigh.co.ke

DATE: 10/03/2025

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

THRO'
REGIONAL MANAGER,
WESTERN REGION
KAKAMEGA.



Dear Sir/Madam,

RE: AUDIT CERTIFICATE/REPORT RESPONSE LETTER FOR BUTULA BOYS' HIGH SCHOOL.

Reference to your Certificate/Report dated 24st September, 2024, for financial year 2022/2023 with qualified opinion, the full BOM met and deliberated on the issues raised and gave the following responses attached here with.

The minutes in matrix format are hereby attached together with the relevant supporting evidences. Thanks for the audit advice extended during audit exercise.

Yours faithfully,



OUMA D. ONYANGO
CHIEF PRINCIPAL

- CC
1. MR. SAMUEL JOSEPHAT NJOROGE
CLERK OF NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
P.O Box 41842 - 00100,
NAIROBI.
 2. DR. BELIO R. KIPSANG PhD, CBC
PRINCIPAL SECRETARY
MINISTRY EDUCATION
STATE DEPARTMENT BASIC EDUCATION
P.O Box 30040 - 00100,
NAIROBI.
 3. SCHOLASTICA MATUNGE
TSC HOUSE
PRIVATE BAG - 00100, NAIROBI.

BUTULA BOYS' HIGH SCHOOL

P.O. PRIVATE BAG - 50405, BUTULA

Email: butulahigh@gmail.com



MOBILE: 0705 521 355

Website: www.butulahigh.co.ke

AUDIT EVIDENCES FY 2022/2023.



BUTULA BOYS' HIGH SCHOOL

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2022/2023 FINANCIAL YEAR O.A.G AUDITED ACCOUNTS.

RESPONSES ON AUDITOR GENERAL BASIS OF OPINION QUERIES BACKED WITH EVIDENCES.

RE F. NO	AREA	ISSUES/OBSERVATION OAG AUDITORS	MANAGEMENT COMMENTS RESPONSE
1	Inaccuracy of capitation grants for Tuition and Operations.	The statement for receipts and payments reflects Government grants for tuition and operations of Ksh. 4,885,579 and Ksh. 16,443,274 as disclosed in notes 1 and 2 to the financial statements respectively. However, review of the supporting schedules and NEMIS capitation disbursement extract revealed amounts of Ksh. 4,897,428 and ksh. 21,710,274, in respect to capitation grants for tuition and operations resulting to an unexplained and unreconciled variance of Ksh. 11,849 and Kshs. 5, 267,000 respectively. Further, the expected capitation based on the school's manual registers was Ksh. 21,755,834, whereas the NEMIS capitation disbursement extract indicated an amount of Kshs. 21,710,274, resulting to an underfunding of Ksh. 45,560. In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Ksh. 4,885,579 and Ksh. 16,443,274 respectively could not be confirmed.	The school NEMIS TEAM had uploaded all student details on the National education management system. The underfunding of the school by Ksh. 45,560 is due to the difference in the dates of student capture by the NEMIS SYSYTEM and the date of funding. The variance of ksh.5,267,000 is due to the ministry directive to transfer ksh.2,000 per student to school infrastructure account. refer to annex....1
2	Inaccuracies in the School Fund Income - Parents' Contribution.	The statement of receipts and payments reflects school fund income - parents' contribution of Ksh. 116,832,180 as disclosed in Note 4 to the financial statements. However, review of the supporting schedule and students' enrolment data revealed an amount of Ksh. 133,920,528	The school had estimated to collect ksh.133,920,528 but due to parents financial constraints,only ksh.116,832,180 was collected leaving

			arrears of ksh. 17,088,348 incorporated into financial statements as receivables refer annex 2.
3.	Inaccuracies in Boarding and School Fund Payments.	<p>The statement of receipts and payments reflects boarding and school fund payments of Ksh. 129,144,677 as disclosed in Note 9 to the financial statements. However, review the expenditure ledgers revealed an expenditure total of Ksh. 130,145,600, resulting to an understatement of Ksh. 1,000,923.</p> <p>In the circumstances, the accuracy and completeness of boarding and school fund payments of Ksh. 129,144,677 not be confirmed.</p>	<p>The difference of ksh.1,000,923 is the prepaid amount at end of the year that is liability to school that we raise payment voucher to offset because at beginning of the year that amount is automatically deducted from students term one fee., refer to annex...3.</p>
4.	Unsupported Personnel Emoluments Payments	<p>The statement of receipts and payments reflects payments for operations and boarding and school fund payments of Ksh. 12,265,389 and Ksh. 129,144,677 as disclosed in Notes 7 and 9 to the financial statements respectively. Included in the amounts of Ksh. 12,265,389 and Ksh. 129,144,167 are payments of Ksh. 4,433,345 and Ksh. 16,976,236 all totaling Ksh. 21,409,581 in respect to personnel emoluments. However, review of supporting documents including payrolls revealed that a total of Ksh. 13,641,262 was spent on personnel emoluments, resulting to an unexplained and unreconciled variance of Ksh. 7,768,319.</p> <p>In the circumstances, the accuracy and completeness of payments for operations and boarding and school fund of Ksh. 12,265,389 and Ksh. 129,144,677 respectively could not be confirmed.</p>	<p>The difference of ksh.7,768,319 is due to the below reasons:-</p> <ol style="list-style-type: none"> 1)The salary for the security guards was not captured 2)The wages for the casuals was not captured 3)The government through ministry of education merged the four voteheads personel emoluments,administration cost,electricity,water and conservancy and local transport and travel therefore income is collected as whole and spent as whole then percentages attached to apportion...refer annex 4,5 and 6.
5.	Unsupported Bank Balances	<p>The statement of assets and liabilities reflects bank balances of Ksh. 15,142,510 as disclosed in Note 10 to the financial statements. However, only one cashbook in respect of two (2) of the five (5) bank accounts operated by the school was prepared and provided for audit review. This was contrary to Regulation 90(1) of Public Finance Management (National Government) Regulation, 2015 which states that 'Accounting Officers shall ensure bank accounts reconciliations are completed for each account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor General'.</p>	<p>It is through one cashbook was maintained but the payments are indicated as for the the different account and also reconciliation is done on separate account also bank certificate balances indicated Summary on annex 7 and 8 and 9.</p>

		In the circumstances, the regularity, accuracy and completeness of the bank balance of Ksh. 15,142,510 as at 30 June, 2023 could not be confirmed.	
6.	Unsupported and Long Outstanding Accounts Receivables	The statement of financial assets and financial liabilities reflects accounts receivable balances of Ksh. 96,145,420 as disclosed in Note 13 to the financial statements. However, the following unsatisfactory matters were noted.	
6.1	Misclassification of Prepaid Fees	Included in the accounts receivables balance fees prepaid of Ksh. 1,258,139 which ought to be reported under accounts payable.	This is the difference noted in observation 3 expenditure difference of ksh.1,000,923. With ksh.257,216 being prepaid amount for form fours exiting therefore they have to be refunded not used to pay term one fee refer annex..10
6.2	Long Outstanding Receivables	Included also in the balance are receivables amounting to Ksh. 55,068,622 which have been outstanding for more than two (2) years. The recoverability of the balance is therefore in doubt.	The balance of ksh. 55,068,622 has been recovered refer to annex...11
6.3	Unsupported Accounts Receivables	The accounts receivables were not supported by way of schedules, detailed aging analysis and issued invoices. Further, significant accounting policies on accounts receivable as disclosed in Note 5 are silent on the treatment of the students' fees balances which is the major source of income for the school. In the circumstances, the accuracy, and fair statement of the receivables balance of Ksh. 96,145,420 as at 30 June, 2023 could not be confirmed.	The analysis and schedules hereby attached.annex 12
7.	Non-Disclosure of Retention Money	The statement of financial assets and financial liabilities reflects accounts payable balance of Ksh. 17,845,792 as disclosed in Note 14 to the financial statements. However, review of documents revealed that the school spent total of Ksh. 7,734,448 towards construction of a laboratory and retained Ksh. 773,444 as retention money. This amount has not been disclosed under accounts payable in the financial statements. In the circumstances, the accuracy and fair statement of the accounts payable balance of Ksh. 17,845,792 as at 30 June, 2023 could not be confirmed.	The retention money was to be recognized and paid after 6 months defect liability period.It has been recognized and paid out.Refer to annex 13.

8.	Unsupported Biological Assets	<p>Note 17 to the financial statements reflects biological assets balance of Ksh. 220,000. However, the balance was not supported by a stock take report to reflect a fair value of the biological assets, taking into consideration the estimated costs to sell. This was contrary to the provisions of International Accounting Standard 41 Paragraph 50 which provides that an entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period.</p> <p>In the circumstances, the accuracy, completeness and valuation of the biological assets balance of Ksh. 220,000 could not confirmed.</p>	Summary of the biological assets attached..annex 14.
9.	Unsupported Payments for Operations	<p>The statement of receipts and payments reflects payments for operations of Ksh. 12,265,389 as disclosed in Note 7 to the financial statements. However, an amount of Ksh. 4,154,882 was not supported with documentation while the following anomalies were also noted;</p> <ul style="list-style-type: none"> i. The School did not have a procurement function, contrary to Regulation 33(1)(2) of the Public Procurement and Asset Disposal Regulations, 2020 which states that, 'a procuring entity shall establish aa procurement function in accordance with section 47 of the Act. The procurement function shall be handled by the procurement professionals whose qualification and experience are recognized in Kenya'; and ii. Goods received and issued were not supported with counter requisition notes from the user department. This was contrary to the provisions of Regulation 168 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'an accounting officer of a procuring entity shall ensure proper management and distribution of inventory, stores and assets by ensuring that they are received and taken on charge'. <p>In the circumstances, the accuracy, validity of payments for operations of Ksh. 4,154,882 could not be confirmed while Management was in breach of the law.</p>	The variance was majorly the payments for the casuals and bom teachers who only signed payment vouchers,but there roll calls for service attaches and also procurement function.Refer to annex...15.
10.	Inaccuracy of the Inventory (stock) Balance	Note 19 to the financial statements discloses stock/inventory balance of Ksh. 3,790,841. Review of stock take report, stock movement schedule and the opening balance as certified in the audited financial statements	It is true there was variance of ksh.2,412,199 due to the lab chemicals and equipment that had not been

	<p>revealed that the inventory balance was Ksh. 6,203,040, resulting to an unexplained and unreconciled variance of Ksh. 2,412,199.</p> <p>In the circumstances, the accuracy and completeness of the stock/inventory balance of Ksh. 3,790,841 could not be confirmed.</p> <p>The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Butula Boys High 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 audit 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.</p>	<p>recorded. annex..16</p>
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POLICIES AND REGULATIONS.

1)Unapproved fees on parents association support programe.

The levy of ksh.5,000 per student was proposed by the parents association and endorsed by full board comprising of education director to address infrastructure deficits in school and accountability of the collection was confirmed by the auditors...annex 17.

2)Irregular procurement of boarding consumables

The maize ksh.2,565,000 was direct procurement because the school had been constrained financially on delayed capitation and low fees payment hence contracted supplies also had not been paid.,To enable the school to avoid strikes by students lacking food direct sourcing was done.

3)Lack of procurement plan

The school has procurement plan approved....annex18.

4)Irregular award of contract

The contractor who won the tender did not have the capacity to do the contract because of the financial difficulties and also failure to adhere to contract specification to have done the same required facility that was advertised, therefore the Bom made considerations for the school to get value for money, it had to reconsider the process..Annex 19.

The response has been compiled by BOARD OF MANAGEMENT AFTER ADOPTION OF THE AUDIT REPORT

NAME: DANIEL OUMA ODHATLO DATE 10/3/2025 SIGN [Signature]

(PRINCIPAL/ SECRETARY BOM)



BUTULA BOYS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
4.						
Supply Of Goods						
5. CITY HILL ENTERPRISE	1,830,000	2023-2024	0	1,830,000		
6. DALU ENERGY SYSTEM	1,123,000	2023-2024	0	1,123,000		
7. AUKI DISTRIBUTORS	1,946,431	2023-2024	0	1,946,431		
8. STONEFIELD COMPANY	1,035,249	2023-2024	0	1,035,249		
9. FREDRICK OMOTO	909,218	2023-2024	0	909,218		
10. PURVE SALES	2,991,760	2023-2024	0	2,991,760		
11. PEAK LAB LIMITED	4,005,250	2023-2024	0	4,005,250		
12. FLORA AUMA	899,900	2023-2024	0	899,900		

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
13. READERS QUEST PUBLISHERS LTD	950,500	2023-2024	0	950,500		
14. SUNSHINE AUTOMOBILE	872,095	2023-2024	0	872,095		
15. DOROTTHY KAGGAI	747,000	2023-2024	0	747,000		
16. MARGARET NIGHT ODUOR	762,815	2023-2024	0	762,815		
17. MARY AMBEI KHAYUBA	850,000	2023-2024	0	850,000		
18. FRANCIS OPALO	622,500	2023-2024	0	622,500		
19. JENIPHER AWINO WANGA	646,000	2023-2024	0	646,000		
20. OGUTI DENNIS	546,000	2023-2024	0	546,000		
21. SYLVESTER ACHIENG SUMALA	546,000	2023-2024	0	546,000		
22. MONICA OKOTSI	500,000	2023-2024	0	500,000		
23. VIONA OKUMU	541,000	2023-2024	0	541,000		
24. LUCHEMA ENTERPRISES	618,000	2023-2024	0	618,000		
25. NEW EBENEZA ELETRONICS	518,315	2023-2024	0	518,315		
26. OWINO OMODI	446,615	2023-2024	0	446,615		
27. JOSHUA ATUA	614,600	2023-2024	0	614,600		
28. KISHEB GENERAL HARDWARE	413,700	2023-2024	0	413,700		
29. MEMPHIS BUCHERY	487,770	2023-2024	0	487,770		
30. JUDITH ATIENO	718,000	2023-2024	0	718,000		
31. TOCHA HARDWARE	467,624	2023-2024	0	467,624		

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
32.MARGARET AKUNU MALOBA	695,804	2022-2023	0	695,804		
33.ANCO HARDWARE	375,300	2023-2024	0	375,300		
34.NAOMI NAKHAYO	360,000	2023-2024	0	360,000		
35.LINET OGOLLA	360,000	2023-2024	0	360,000		
36.KAMIRA AGENCIES	300,880	2023-2024	0	300,880		
37.JONNES AUMA	345,000	2023-2024	0	345,000		
38.PRISCAH MWOMBE	270,000	2023-2024	0	270,000		
39.PHENKHAM STATIONERY	270,000	2023-2024	0	270,000		
40.DUNCAN AJIBA	286,800	2023-2024	0	286,800		
41.OMONDI JULIUS	200,000	2023-2024	0	200,000		
42COPY CAT LTD	737,585	2023-2024	0	737,585		
43.DANICOD ENTERPRISES	162,480	2023-2024	0	162,480		
44.KELINE INTERIOR DESIGN LTD	160,000	2023-2024	0	160,000		
45.NYATAYA ENTERPRISE	398,020	2023-2024	0	398,020		
46.WYCIFFE MUTOKA	234,210	2023-2024	0	234,210		
47.INVOKE EAST AFRICA LTD	183,895	2023-2024	0	183,895		
48.STAR RISE HARD WARE	350,660	2023-2024	0	350,660		
49. CHEMINYAKY ENTERPRISE	170,446	2023-2024	0	170,446		
50.MORINE KHAVELA	260,000	2023-2024	0	260,000		

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
51.MOSES AGUNDA	700,810	2023-2024	0	700,810		
52.DIDIMO BWIRE	310,500	2023-2024	0	310,500		
53.JOSEPH OCHIENG	52,800	2023-2024	0	52,800		
54.ENDOMBELE TRANSPORTERS	44,200	2023-2024	0	44,200		
55.ORAMISI PETER	814,000	2023-2024	0	814,000		
56.LABOTECH SUPPLIERSLTD	159,200	2023-2024	0	159,200		
57.CHRIS PINUS ODHIAMBO	151,360	2023-2024	0	151,360		
58.AUDREY NAMANGA	150,000	2023-2024	0	150,000		
59.ALFRED REAGAN ONYANGO	150,000	2023-2024	0	150,000		
60.HUMPREY OMONDI	130,000	2023-2024	0	130,000		
61.JULIET AKELLO	121,500	2023-2024	0	121,500		
62.ATIENO BUNYASI	121,500	2023-2024	0	121,500		
63. CHARLES OCHIENG	101,000	2023-2024	0	101,000		
64.,ERDIANA INVESTMENT	100,000	2023-2024	0	100,000		
65.WEBBA SPORTS	95,000	2023-2024	0	95,000		
66.LEADTIME SOLUTION	92,900	2023-2024	0	92,900		
67.WEKESA BARASA	89,220	2023-2024	0	89,220		
68.BUTULA CATHOLIC CHURCH	84,000	2023-2024	0	84,000		
69.GEORGE OJWANGA	68,110	2023-2024	0	68,110		

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
70.FERDINARD ADUNGO	66,000	2023-2024	0	66,000		
71.PAMAR CREATIVE INVESTMENT	64,800	2023-2024	0	64,800		
72.TALCOMM TECHNOLOGIES	64,000	2023-2024	0	64,000		
73.GODFREY MUSUNGU	61,038	2023-2024	0	61,038		
74. VINCENT OSAMO	81,400	2023-2024	0	81,400		
75.WERE BARASA	36,600	2023-2024	0	36,600		
76. FLORENCE OPIYO	35,050	2023-2024	0	35,050		
77.SAMBAMBA TECHNOLOGIES	30,000	2023-2024	0	30,000		
78. GEORGE JUMA	29,500	2023-2024	0	29,500		
79. WEGO TRADERS	23,000	2023-2024	0	23,000		
80. NATIONAL PRINTING PRESS	21,800	2023-2024	0	21,800		
81. ODUNGA PATRICK	21,000	2023-2024	0	21,000		
82. VINCENT ODONGO	20,680	2023-2024	0	20,680		
83. AMOS WAYEME	20,000	2023-2024	0	20,000		
84. MACPCZONE	20,000	2023-2024	0	20,000		
85. ONGAROI VENTURES	18,000	2023-2024	0	18,000		
86. SIMON MUTAI	16,200	2023-2024	0	16,200		
87. FRANCIS OGOLLA	13,750	2023-2024	0	13,750		
88. BOAZ WANJALA	11,839	2023-2024	0	11,839		

BUTULA BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
89. OGALO FARMERS CENTRE	11,599	2023-2024	0	11,599		
90. HOME HEALTH EDUCATION SERVICES	2,350	2023-2024	0	2,350		
91. ANDREW OPIO WANZOFU	600	2023-2024	0	600		
92. EAST AFRICAN EDUCATIONAL SERVICES	40	2023-2024	0	40		
93. JUAKALI STRUCTURAL ENGEERING	10	2023-2024	0	10		
Sub-Total	37,008,183	2023-2024	0	37,008,183		
Supply Of Services						
Sub-Total						
Grand Total	37,008,183	2023-2024	0	37,008,183		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land 1	2,500,000	0	0	2,500,000
Buildings And Structures	120,000,000	0	0	120,000,000
Motor Vehicles	4,000,000	0	0	4,000,000
Office Equipment, Furniture And Fittings	6,000,000	0	0	6,000,000
ICT Equipment, And Other ICT Assets	10,000,000	0	0	10,000,000
Tools And Apparatus	12,000,000	0	0	12,000,000
Textbooks	8,000,000	0	0	8,000,000
Generator	300,000	0	0	300,000
Grinding mill	157,000	0	0	157,000
Intangible Assets- Soft Ware				
Total	162,957,000	0	0	162,957,000

N.B. The figures above are just estimates pending valuation of assets.

10



11

12