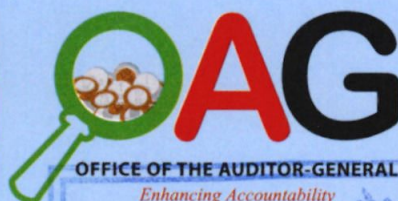


REPUBLIC OF KENYA



REPORT THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 29 JUL 2026

DAY.
WED.

OF BY:

TABLED

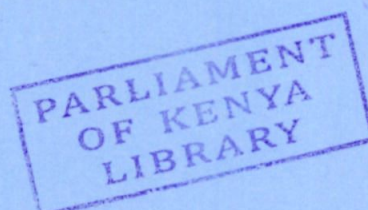
Hon. Robert Pukosa

CLERK-AT
THE-TABLE:

J. Lemurillo

THE AUDITOR-GENERAL

ON



LANET SECONDARY SCHOOL

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

NAKURU COUNTY



Revised 30th June 2021.



(LANET SECONDARY SCHOOL)

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE SIX MONTHS PERIOD ENDED
30th June 2021**

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

LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

I. Contents

II. KEY SCHOOL INFORMATION AND MANAGEMENT	2
III. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	6
IV. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	15
V. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF (specify school name) SCHOOL OF THE YEAR ENDING 30 TH JUNE 2021	16
VI. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021	17
VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021	18
STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021	20
VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS PERIOD ENDED 30 TH JUNE 2021	21
IX. SIGNIFICANT ACCOUNTING POLICIES.....	25
X. NOTES TO THE FINANCIAL STATEMENTS	27

II. KEY SCHOOL INFORMATION AND MANAGEMENT

[Customise the details in this section to suit your School]

(a) Background information

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

The school was registered in March /2011 under registration number **PU/S/3/280/11** and is currently categorized as a Sub-County School established, owned or operated by the Government.

The school is a day mixed school and had 868 number of students as at 30th June 2021. It has 6 streams in form 1, 5 streams in Form 2, 4 streams in Form 3 and 3 streams in form 4 and 38 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref	Name of Board Member	Designation	Date of appointment
1	BRIG.J.M. NKOIMO	Chairman	14TH MAY 2019
2	AGNES ANNE AWINO	Secretary - Principal	14TH MAY 2019
3	PASTOR ALICE NGANGA	Member	14TH MAY 2019
4	JOHN MUGAKA	Member	14TH MAY 2019
5	ROBERT OBWOGE	Member	14TH MAY 2019
8	THOMAS NYAMU	Member – Rep CEB	14TH MAY 2019
9	SAMSON GITAU	Member Rep Teachers	14TH MAY 2019
10	LT.COL ESTHER KAHIRI LT.COL.KWACH BRIG. J.M. NKOIMO (BOM CHAIRMAN)	3 Members – Sponsor	14TH MAY 2019
11	NANCY WANJIKU NJARAMBA JAMES MWANGI BILHA KIURA JOHNSON NJARABA JUDITH KAMOING	Member – Community	14TH MAY 2019
12	JUDITH MONGARE	MemberSpecial Needs	14TH MAY 2019
	REV. DANIEL NYASENDE	Special Interst group	14TH MAY 2019
	PETER GICHAMU	Rep Students	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Brig J.M. Nkoimo 2. Agnes Awino 3. Robert Obwoye 4. Lt.Col. Esther kahiri 5. Thomas Nyamu 6. Daniel Nyasende	Chairman Principal PA chair BOM Member BOM Member SIC Chair	4 times
2	Audit Committee	1. Brig J.M. Nkoimo 2. Agnes Awino 3. Robert Obwoye 4. Daniel Nyasenda 5. Samson Gitau 6. Clarice Mwita	Chairman Principal PA chair/ Sic Hair D/Principal SCDE	3 times
3	Finance, procurement and general purposes Committee	1. Brig J.M. Nkoimo 2. Agnes Awino 3. Daniel Nyasende 4. Robert Obwoye 5. Samson Gitau 6. Clarice Mwita	Bom Chairman Principal Sic Chair PA Chair D Principal SCDE	3 times

LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

4	Academic Committee	1. Lt. Col. Esther Kahiri 2. Agnes Awino 3. Samson Gitau 4. Janet Ruto 5. Robert Obwoye 6. Pas. Alice Nganga 7. Mark Njiiri 8. John Munene 9. Tabitha Mbolu 10. Rahab Gitau 11. Jane Kamau 12. Samuel Chege 13. Suasana Cheboi	Bomber Principal D/Principal-Adm D/Principal-Ac. PA chair Bom Member DOS IQUASO HOD- Languages HOD- Maths HOD- Sciences HOD T & Applied HOD -Humanities	2 times
5	Development Committee	Rev. Daniel Nyasende Anne Awino Samson Gitau Brig. J.K Nkoimo Robert Obwoye Bilha Kiura Claries Mwita	Sic Chair Principal D/Principal Acad. BOM Chair PA Chair BOM Member SCDE	4 times
6	Discipline and welfare Committee	1. Samson Gitau 2. Lt.Col. Esther Kahiri 3. James Mwangi 4. Judith Mongare 5. Johnson Njaramba	D/Principal Adm. BOM Member BOM member BOM Member BOM Member	3 times
7	Adhoc Committee (if any during the year)	N/A		

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	AGNES ANNE AWINO	311064
2	Deputy Principal	SAMSON GITAU	373708
3	School Bursar	DUNCAN GACHERU	N/A

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 577-20100
 Telephone: 0703 111 475
 E-mail: lanetmixedhighschool@hayoo.com
 Website: <http://www.latetsecondaryschool.sc.ke>
 Facebook: N/A

**LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30 June 2021

Twitter: N/A

(f) School Bankers

The following school operated 7 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: National Bank
Branch: Nakuru
Account Number: 01025021073400 – Tuition
01025021174100- Operations
01021019829700- Lunch/BES
0102211383500 – Infrastructure
2. Name of Bank: Equity
Branch: Gate-House
Account Number: 013029940611 – lunch/ BES
0130267309024 – School Bus
0130279015064 - CDF
3. MPESA Pay Bill No. 247247 Account No 611940#ADM.NO attached to
013029940611 Equity 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

III. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

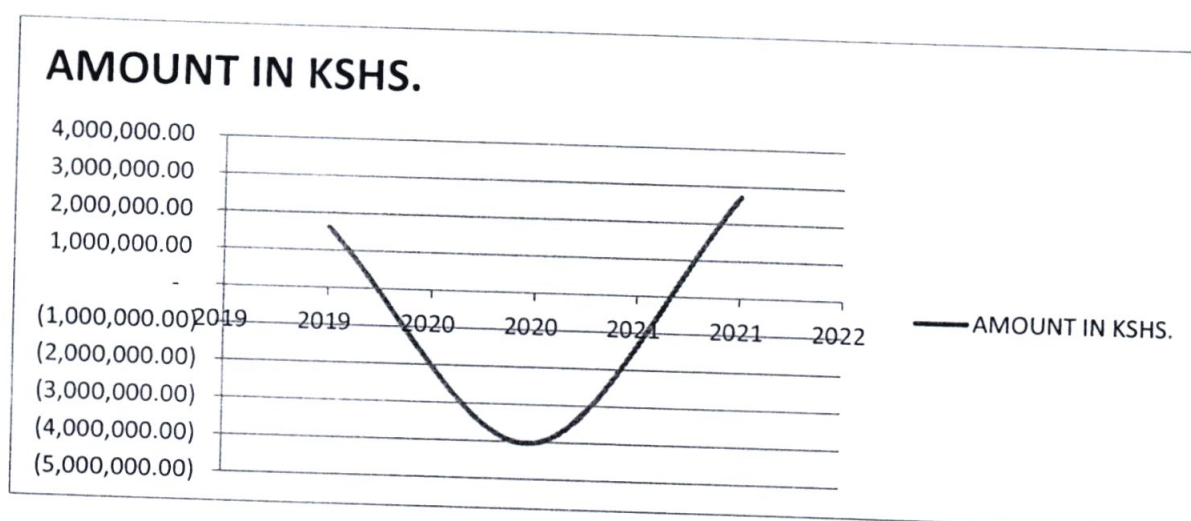
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, the following information should be given:

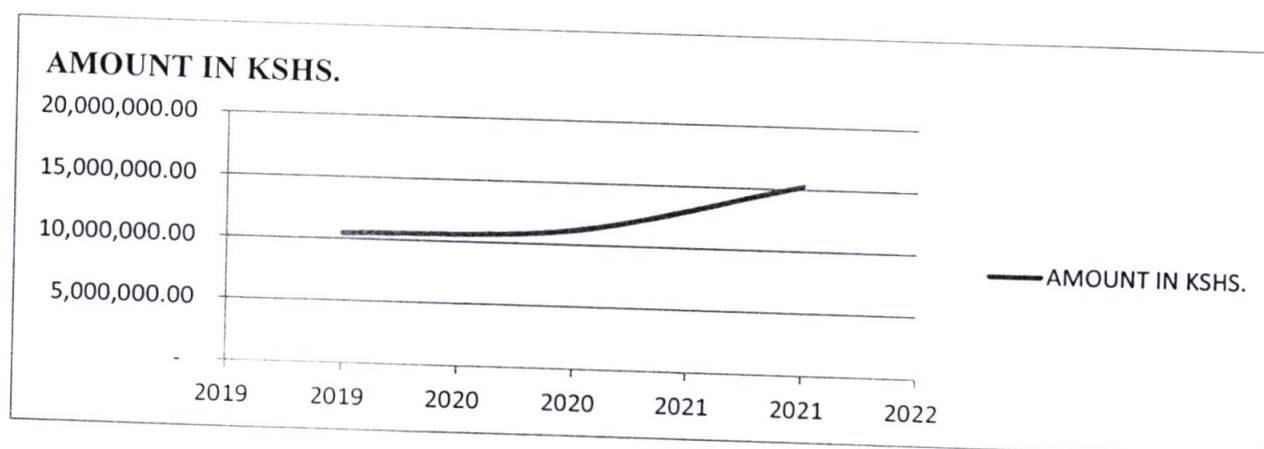
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

YEARS	2021	2020	2019
AMOUNT IN KSHS.	7,708,133.01	(5,639,653.30)	1,610,006.65



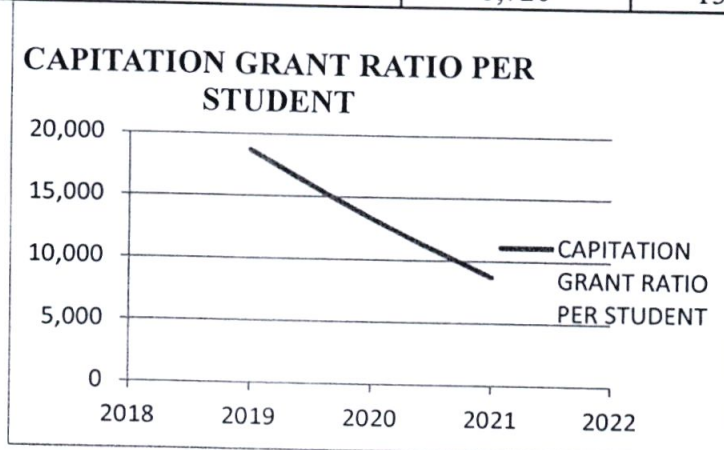
- *Capitation grants from the Ministry of Education for the last three years*

YEARS	2021	2020	2019
AMOUNT IN KSHS.	15,240,495.65	11,173,549.00	10,442,432.56



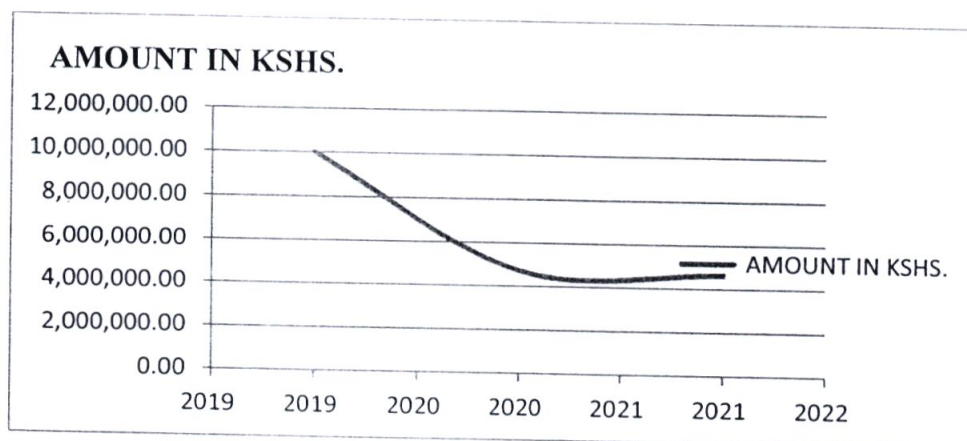
- Ratio of capitation grant per student over the last three years

YEARS	2021	2020	2019
CAPITATION GRANT RATIO PER STUDENT	8,720	13,326	18,670



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

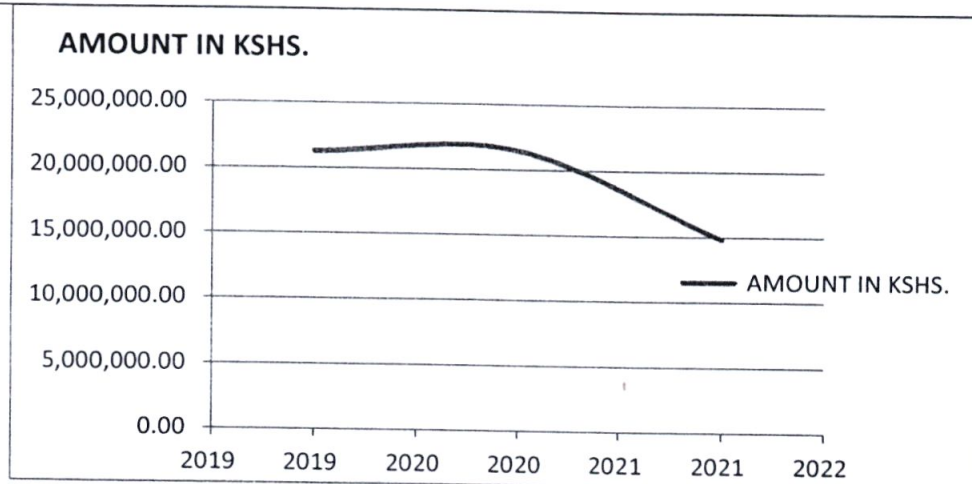
YEARS	2021	2020	2019
AMOUNT IN KSHS.	4,623,573.70	4,722,847.80	9,990,540.00



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

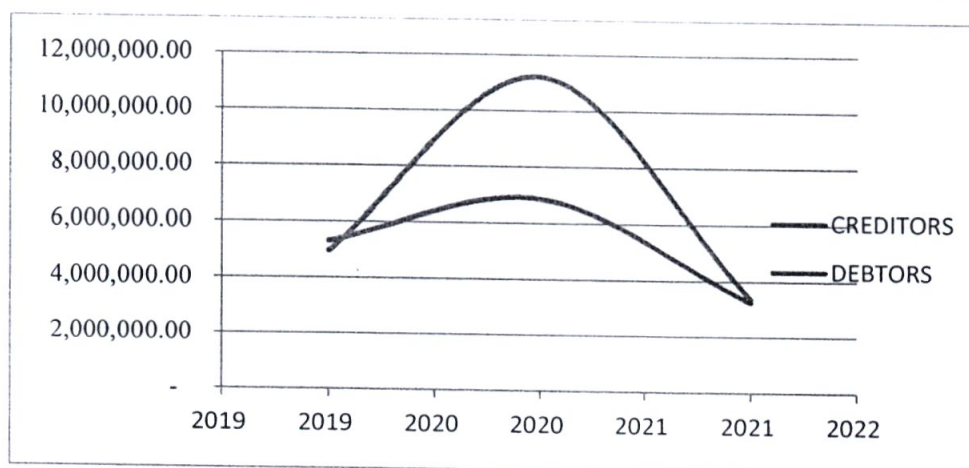
YEARS	2021	2020	2019
AMOUNT IN KSHS.	13,871,324.64	21,465,685.30	21,265,920.71

**LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30 June 2021



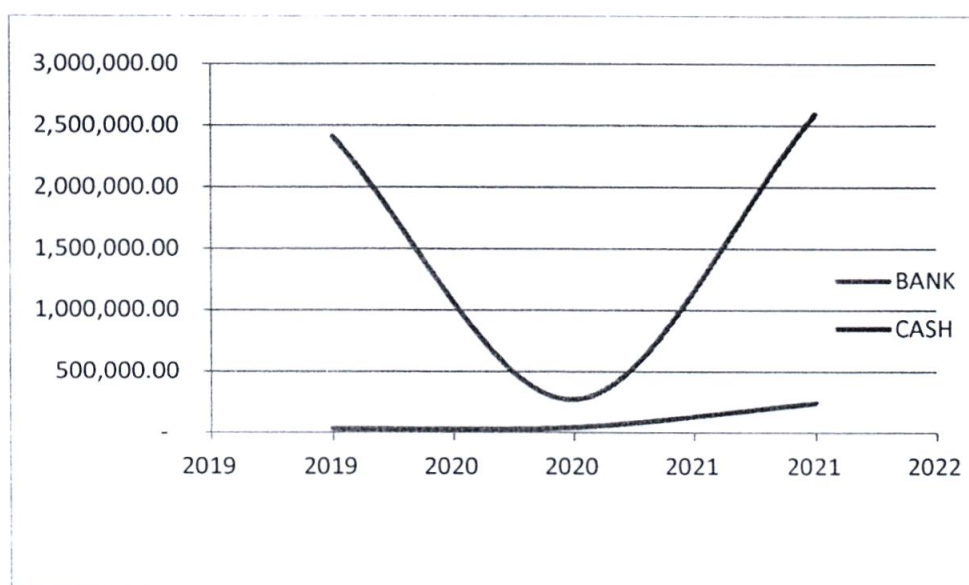
- Movement of debtors and creditors of the school over the last three years

YEARS	2021	2020	2019
CREDITORS	3,366,492.50	11,214,327.16	4,948,087.86
DEBTORS	3,245,740.00	6,867,614.00	5,311,205.00



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

YEARS	2021	2020	2019
BANK	2,592,831.86	271,667.81	2,408,742.81
CASH	242,613.00	45,398.70	31,194.70



b) **Teacher Student ratio:**

Ration of teachers to students is **1: 33**

Transferred Teachers during the year 2021:-

1. Jane WanguiNgugi TSC.NO: 284076 – Deployed as Deputy Principal
2. Grace WangariMwangi TSC.NO: 357449- Deployed as Deputy Principal

Teacher Recruited during the year 2021

1. Phyllis Wamoro - TSC.NO 685192
2. Sylvia Ngengoi TSC.NO 824038
3. HellenWanjiru - TSC.NO: 505648 – Transferred in

LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

Teaching staff

SN	NAME	TSC NO.	SUBJECTS	MOB. NO.
1	AGNES ANNE AWINO	311064	CRE/GEO	0722358349
2	SAMSON GITAU	373708	MATHS/PHY	0711852568
3	JANET RUTO	271915	GEO/CRE	0721366533
4	MARGARET K ORORI	316095	BIO / GEO	0723707377
5	ESTHER MUKAMI	703893	ENG/LIT	0723883866
6	RAHAB W. MWANGI	357131	MATHS	0722298773
7	DUNCAN K. NDUNG'U	416105	CHEM/BIO	0721296331
8	LOICE N BARASA	441145	GEO/KIS	0723155677
9	NYURURU J. MWANGI	359004	MATH/GEO	0724849648
10	RICHARD KAMAU	828715	MATH/PHY	0798186911
11	SUSAN KIBOGONG	302761	GEO / HIST	0722895676
12	OLUM VALENTINE OTIENO	942844	FRE/ENG	0795595234
13	JANE KAMAU	272179	CHEM / BIO	0733983848
14	GEORGE M WARURU	441404	BS/MATHS	0726542145
15	PHYLLIS WAMORO	685192	BSS/MATHS	0704383454
16	TABITHA W. MBOLU	364220	KISW / CRE	0727711879
17	SAMUEL CHEGE	399399	AGRI/BIO	0721549806
18	DOUGLAS MOENGA	512686	COMP/MATHS	0714818366
19	JOHN MUNENE	361401	GEO/HIST	0729088011
20	JANE MWANGI	545734	BIO/AGRI	0710628087
21	GRACE M. NDUHIU	357385	CRE/HIST	0721353007
22	KURGAT JARED N.	603419	CRE/HIST	0727573130
23	THOMAS GACHOKA	270730	ENG/LIT	0720219991
24	MIRIAM KIRAGU	387202	ENG/LIT	0723910880
25	JANET KIBIRECH	436582	ENG/LIT	0700639377
26	MARK NJIIRI	541601	HIST/CRE	0733929957
27	DORCAH BOSIRE	461795	BSS	0799299439
28	HELLEN WANJIRU K.	505648	ENG/LIT	0727798022
29	AURELIA JERUTO	848757	HSC/BIO	0790552565
30	NAOMI CHEPKIRUI	698887	KISW/CRE	0716854069
31	THUO JANE WAMAITHA	568262	BIO/AGRI	0725552190
32	SYLVIA NGENGOI	824038	BSS/KISW	0727002857
33	CELESTINE NYABUTI	815829 (BOM)	KIS/CRE	0725980982
34	SUSAN WACHIRA	672880 (BOM)	BIO/CHEM	0722679951
35	OLUM VALENTINE OTIENO	942844 (Intern)	FRE/ENG	0795595234
36	JORAM VALERIE ATIENO	923383 (BOM)	MATH/GEO	0795610140
37	SAMUEL MWANGI	903657 (BOM)	HIST/CRE	0723463766
38	ANNE NTHIANI	912939(BOM)	MATH/CHEM	0709249369

Short fall – 10 teachers

Subject Combination

CHEM/BIO

- 2

**LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021**

PHY/CHEM	-	1
HIST/CRE	-	2
MATHS/CHEM	-	1
HSC/ANY OTHER	-	2
ART & DESIGN	-	1
GERMAN/MUSIC	-	1

C. Mean Score for the Last Three Years

**SCHOOL'S
OVERALL RESULTS**

YEAR	ENTRY	GRADE											M.SC	DEV	GRADE
		A	A-	B+	B	B-	C+	C	C-	D+	D	D-			
2020	158	0	0	1	1	4	6	11	32	41	43	19	4.1139	0.372	D+
2019	146	0	0	2	1	9	12	11	29	29	37	16	4.486	0.165	D+
2018	146	0	0	1	5	4	10	11	23	35	39	18	4.321	4.321	D+

Transition to higher Education

2020 -	C+ and above	-	12 students
2019	C+ and above	-	24 students
2018	C+ and above	-	20 students

**LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021**

8. Water sources – Rain water, Kenya Military Academy piped water (rationed) and water bowsers.

There is a need for borehole, **urgently**.

9. Sanitation:

Boys' toilet = 16

Boys' Special need toilets – 1 door

Girls Toilets = 18

TOTAL 34

Staff toilets - male – 5

Female -4

TOTAL 9

Washing hand points – 45 taps

Additional information on plant, property and equipment

ITEMS	NUMBER(UNIT)
Land with title under Kenya Defence Forces	13 acres
51 seater FRR Isuzu bus KCE 719 D	1
Admin block	1
Science laboratories	3
Water tanks	12
Milk producing cows	6
bulls	1
Calves	3
Pangas,jembes ,saw ,pliers 1, spade, hammer	
wheelbarrows	5
Library books	
textbooks	
Reference books	
Mature trees	
Photocopy machine KYOCERA	1
Copy printer	1
computers	33
Small printers	7

**LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30 June 2021

Main gate	1
Students chairs and desks	1131
Office chairs/staffroom chairs	
Office/ staffroom tables	
Deep freezer	1

(e)Development projects carried out by the school:

YEAR	PROJECT	SOURCES OF FUNDS
2020/2021	Multipurpose hall – Foundation level	MOE
2022	3.No Classroom	MOE

Sign

AGNES ANNE AWINO
PRINCIPAL

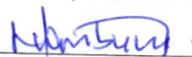
IV. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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.

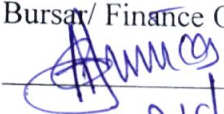
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

Name: J.M. NKOIMO
Designation: Chairman, School Board of Management
Sign: 
Date: 24/4/26

Name: AGNES ANNE AWION
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 24/4/26

Name: Duncan Gacheru
Designation: Bursar/ Finance Officer
Sign: 
Date: 24/4/26

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 LANET SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – NAKURU COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such schools are applied for 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.

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 Lanet Secondary School set out on pages 17 to 35, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of

cash flows, 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 Lanet Secondary School 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracy of Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.2,875,418 as disclosed in Notes 8 and 9 to the financial statements. Included, in the balance is Kshs.840,111 and Kshs.185,537 in respect to school fund bank and cash balance, respectively. However, the cashbook bank balance and cash in hand certificate reflect Kshs.837,737 and Kshs.184,938 resulting in unexplained and unreconciled variance of Kshs.2,374 and Kshs.599 respectively. Further, the bank reconciliation statements revealed a cash book balance of Kshs.870,537 which varied with the cashbook balance of Kshs.837,737 resulting in an unexplained and unreconciled variance of Kshs.32,800.

In the circumstances the accuracy and completeness of cash and cash equivalents balance of Kshs.2,875,418 could not be confirmed.

2.0 Lack of Supporting Ledgers for Financial Statement Balances

The statement of receipts and payments reflect Kshs.1,907,677, Kshs.8,303,868, Kshs.3,659,780, in respect of payment for tuition, payment for operations, boarding and school fund payments respectively. Further, the statement of financial assets and liabilities reflects account receivables and account payables balance of Kshs.3,245,740 and Kshs.2,442,672, respectively. However, Management did not provide ledgers in support of the reported amounts and balances, hence it became difficult to confirm the completeness, accuracy, presentation and disclosure, existence, valuation, rights and obligation and occurrence of account balances and classes of transactions disclosed in the financial statements.

In the circumstances the accuracy and completeness of the statement of receipts and payments and the statement of financial assets and liabilities could not be confirmed.

2.1 Inaccuracy in Capitation Grants

The statement of receipts and payments reflects Government grants for tuition and operations amounts of Kshs.1,999,875 and Kshs.13,240,621, respectively. However, the bank statement reflects total deposits of Kshs.2,501,761 and Kshs.15,417,905, resulting in unreconciled variances of Kshs.501,886 and Kshs.2,177,284 respectively.

In the circumstances, the accuracy of the Government grants for tuition and operations amounts of Kshs.1,999,875 and Kshs.13,240,621 could not be confirmed.

2.2 Inaccuracies in School Fund Income – Parents Contribution

The statement of receipts and payments reflects school fund income - parents contribution amount of Kshs.6,338,962 as disclosed in Note 3 to the financial statements. However, the ledger reflects Kshs.9,594,470 resulting in an unexplained and unreconciled variance of Kshs.3,255,508.

In the circumstances, the accuracy of the school fund income-parents contribution amount of Kshs.6,338,962, could not be confirmed.

2.3 Misstated Total and Net Financial Assets Balances

The statement of financial assets and financial liabilities reflects total financial assets balance of Kshs.6,081,185 instead of the re-casted balance of Kshs.6,121,158 resulting in unreconciled variance of Kshs.39,973. Further the statement reflects net financial asset balance of Kshs.3,678,486 instead of the re-casted balance of Kshs.3,638,513, resulting in an unexplained and unreconciled variance of Kshs.39,973.

In the circumstances, the accuracy of the total financial assets balance of Kshs.6,081,185 and net financial asset balance of Kshs.3,678,486 could not be confirmed.

2.4 Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.2,442,672. However, the disclosure Note 11 to the financial statements reflects Kshs.3,366,493, resulting in a variance of Kshs.923,821 which was not explained. Further, the re-casted Note 11 figure is Kshs.3,421,075, resulting in a casting error of Kshs.54,582.

In the circumstances, the accuracy of accounts payable balance of Kshs.2,442,672 could not be confirmed.

2.5 Inaccuracy in the Statement of Budgeted Versus Actual Amounts.

The statement of budgeted versus actual amounts reflects budget utilization difference for total income of Negative Kshs.1,427,354 instead of the re-casted amount of

Kshs.7,731,183 resulting in an unexplained and unreconciled variance of Kshs.9,158,537.

In the circumstances, the accuracy of the budget utilization difference for total income of Negative Kshs.1,427,354, could not be confirmed.

2.6 Inaccuracy in the Statement of Cash flows

The statement of cash flows reflects cash and cash equivalent at the end of the year balance of Kshs.2,835,445. However, the statement of financial assets and financial liabilities reflect cash and cash equivalents balance of Kshs.2,875,418 resulting in an unexplained and unreconciled variance of Kshs.39,973.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lanet Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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.

Emphasis of Matter

i. Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information.

My audit opinion on the current period financial statements is not modified in respect of this matter.

ii. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.29,310,641 and Kshs.21,579,458 respectively,

resulting in an under-funding of Kshs.7,731,184 or 26% of the budget. Further, the School spent an amount of Kshs.15,154,212 against the actual receipts of Kshs.21,579,458 resulting in an under-utilization of Kshs.6,425,246 or 30% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review. Except for the effects of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages 2 to 15 which comprise of Key School Information and Management, Summary Report of Performance of the School, and the 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 Schools 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 and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

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.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. In the Summary Report on the School's Performance, the number of candidates for the 2018–2020 KCSE is missing. There are also errors in subsection sequencing;
- ii. In the statement of financial assets and financial liabilities, accounts receivable, accounts payable, and the accumulated fund brought forward are referenced as Notes 10, 11, and 12. However, in the Notes to the financial statements, these balances are presented as Notes 11, 12, and 13, resulting in inconsistency in note referencing;
- iii. The financial statements reporting period is indicated as "Annual Report and Financial Statements for the six-month period ended 30 June 2021," contrary to paragraphs 5.3 of the Guideline on the Implementation of International Public Sector Accounting Standards (IPSAS) for Public Secondary Schools in Kenya, dated 20 August 2021, which recommend that the reporting period presented be for an eighteen (18) month period;
- iv. In the table of content and in the body of the report, the chapter reference for the statement of cashflows is missing;
- v. The statement of budgeted versus actual amounts did not have all paginated;
- vi. The statement of receipts and payments reflect Kshs.6,338,962 in respect to school fund income-parents contribution as disclosed in Note 3 to the financial statements. However, the corresponding Note reflect a Nil balance.
- vii. The statement of receipts and payments reflect a Nil balance in respect to school fund income-other receipts as disclosed in Note 4 to the financial statements. However, the corresponding Note reflect Kshs.6,338,962.
- viii. The statement of cash flows is presented in both the direct and indirect methods instead of the recommended direct method only.

In the circumstances, Management did not comply with the PSASB guidelines.

3. Late submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 17 February, 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 the circumstances, Management was in breach of the law.

4. Irregularities in Procurement Processes

4.1 Unstructured Procurement Processes

The statement of receipts and payments reflects total payments amounting to Kshs.13,871,325. However, Management did not provide for audit verification the requisite procurement documents, including the tender register; tender opening committee appointment letters and minutes; tender evaluation committee appointment letters and minutes; preliminary tender evaluation checklists; individual technical and financial evaluation score sheets; acceptance letters of award by the successful bidders; signed contracts or local purchase orders; and professional opinions, thereby limiting the ability to verify compliance with procurement procedures.

In the circumstances, Management was in breach of the law

4.2 Lack of a Functional Procurement Unit

The School did not have a formal procurement function managed by a qualified procurement professional, as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015, and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Instead, procurement activities were carried out by individuals without the necessary qualifications, thereby exposing the School to the risk of applying inappropriate procurement methods.

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

5. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects operations payments balance of Kshs.8,303,868 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.228,280 paid to Kenya Secondary School Heads Association (KESSHA). 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.228,280 could not be confirmed.

6. Lack of an Approved Procurement Plan

The statement of receipts and payments reflects total payments of Kshs.13,871,325. However, Review of the procurement processes of the School revealed that there was no approved procurement plan that outlines the procurement procedures for the school such as; -

- a) A schedule of the planned delivery, implementation or completion dates for all goods, works, or services;
- b) The sources of funds;
- c) A master procurement schedule, showing the target dates for procurement related activities and the actual progress;
- d) An allocation reserved to youth, women and people living with disabilities.
- e) The procurement method to be used.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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, and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School did not constitute an internal audit unit and an audit committee as required by Section 73 Subsection (1) (a), and Subsection 5 of the Public Finance Management Act 2012 which state that “every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board” and that “every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations”.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2. Lack of Risk Management Policy

Review of documents revealed that the School does not have a formally documented and approved Risk Management Policy. There is no structured framework in place to identify,

assess, monitor, and mitigate risks across operational, financial, strategic, and compliance areas.

In the circumstances, the School is exposed to heightened operational, financial, and compliance risks due to the absence of a structured framework for identifying, assessing, and managing risks.

3. Weaknesses in Information Technology Internal Controls

The review of Information Communication Technology (ICT) revealed that the School did not have in place the following controls in regards to Information Technology (IT):

- a) Documented policies which cover physical access to IT environments. This could result in loss of information due to damage or theft.
- b) Disaster management and recovery policies including fire suppression systems
- c) An IT steering committee and IT strategic committee, this may result in inadequacy in IT governance, which forms a critical part of the entity's governance structure.
- d) Lack of a duly signed contract between the Accounting System vendor and the school.
- e) Business continuity plan and the IT continuity plan including an off-site back up plan.

In the circumstances, the School is exposed to significant risks including loss or compromise of data, disruption of critical operations and inability to promptly recover from disasters or system failures, which may adversely affect service delivery and financial reporting.

4. Long Outstanding Accounts Receivable Balance

The statements of financial assets and financial liabilities reflects accounts receivable balance of Kshs.3,245,740 as disclosed in Note 10 to the financial statements. However, included in the balance are receivables amounting to Kshs.1,357,800 which have been outstanding for more than one (1) year. No explanation has been provided on measures the school management is taking to collect the debts. In the absence of clear measures, the recoverability of the reported outstanding receivables is doubtful.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

5. Non-Disclosure of Summary of Fixed Assets Register in the Financial Statements

Annex 2 to the financial statements presents a summary of the fixed asset register which does not indicate the date of purchase. Further, the columns for disposals during the year and historical cost carried forward were omitted, while the columns for location, historical cost brought forward, and additions during the year were blank.

In addition, review of the School records revealed that the School is situated in a parcel of land measuring 508.1 hectares. This land was issued to the Cabinet Secretary, National Treasury, with the Department of Defence designated as trustee of the land. The School is situated within this parcel of land measuring 508.1 hectares. Further review of the deed plan indicated that the School was allocated 16.786 acres within the larger parcel. However, as at the time of audit, the School did not possess a title deed in its name, as the portion occupied by the School had not been surveyed and delineated from the mother title.

In the circumstances, the transfer of the title deed was still pending and ownership 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 Management and 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Schools ability 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.

The Board of Management is responsible for overseeing the Schools financial reporting process, reviewing the effectiveness of how the 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 of 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

12 May, 2026

**LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021**

**VI. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX MONTHS PERIOD
ENDED 30 JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,999,874.50	1,343,950.00
Capitation grants for operations	2	13,240,621.15	9,829,599.00
School Fund Income- Parents' Contributions	3	6,338,962.00	4,652,483.00
School Fund Income- Other receipts	4	-	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		21,579,457.65	15,826,032.00
PAYMENTS			
Payments for Tuition	5	1,907,677.25	2,150,650.50
Payments for operations	6	8,303,867.69	14,592,187.00
Boarding and school fund payments	7	3,659,779.70	4,722,847.80
TOTAL PAYMENTS		13,871,324.64	21,465,685.30
SURPLUS/DEFICIT		7,708,133.01	(5,639,653.30)

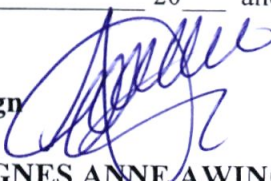
The school financial statements were approved on _____ 20____ and signed by:

Sign: 

J.M. NKOIMO

Chair BOM

Date: 24/4/26

Sign 

AGNES ANNE AWINO

School Principal/
Secretary to BOM

Date: 24/4/26

Sign 

DUNCAN GECHERU

Bursar/
Finance Officer

Date: 24/4/26

VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

	Note	2020-2021 KShs	2019-2020 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,632,804.86	271,667.81
Cash Balances	9	242,613.00	45,398.70
Short term Investment	10	-	-
Total Cash and cash equivalent		2,875,417.86	317,066.51
Account's receivables	10	3,245,740.00	6,867,614.00
TOTAL FINANCIAL ASSETS		6,081,184.86	7,184,680.51
FINANCIAL LIABILITIES			
Accounts Payables	11	2,442,671.50	11,214,327.16
NET FINANCIAL ASSETS		<u>3,678,486.36</u>	<u>(4,029,646.65)</u>
REPRESENTED BY			
Accumulated Fund b/fwd	12	(4,029,646.65)	1,610,006.65
Surplus/Deficit for the year		7,708,133.01	(5,639,653.30)
NET FINANCIAL POSSITION		<u>3,678,486.36</u>	<u>(4,029,646.65)</u>
			-

The School's financial statements were approved on _____ 2021 and signed by:

Name: J.M. Nkoimo

Designation: Chairman, School Board of Management

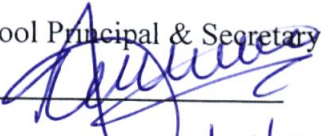
Sign: 

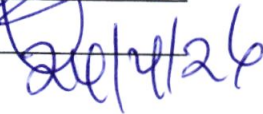
Date: 24/4/26

LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

Name: Agnes Anne Awino

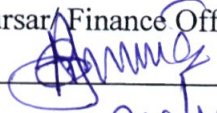
Designation: School Principal & Secretary to Board of Management

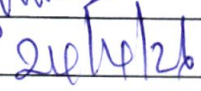
Sign: 

Date: 

Name: Duncan Gecheru

Designation: Bursar/Finance Officer

Sign: 

Date: 

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

		2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,999,874.50	1,343,950.00
Capitation grants for operations	2	13,240,621.15	9,829,599.00
School fund income- Parents contributions/ fees	3	6,338,962.00	4,652,483.00
School fund income- other receipts	4	1,999,874.50	1,343,950.00
Total receipts			
Payments			
Payments for Tuition		1,907,677.25	2,150,650.50
Payments for operations		7,391,421.35	6,199,942.00
Boarding and school fund payments		3,659,779.70	4,722,847.80
Total payments		12,958,878.30	13,073,440.30
Net cash flow from operating activities		8,620,579.35	2,752,591.70
Adjusted for:			
Changes in Receivables		3,621,874.00	(2,853,474.00)
Changes in Payables		(7,847,834.66)	6,370,256.30
Accruals to cash Adjustments		-	-
CASHFLOW FROM INVESTING ACTIVITIES		3,430,824.69	6,269,374.00
Proceeds from Sale of Assets		-	-
Acquisition of Assets		912,446.34	8,392,245.00
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		3,430,824.69	6,269,374.00
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,518,378.35	(2,122,871.00)
Cash and cash equivalent at BEGINNING of the year		317,066.51	2,439,937.51
Cash and cash equivalent at END of the year		2,835,444.86	317,066.51

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS PERIOD 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
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	78,900.00	-	78,900.00	84,124.50	(5,224.50)	107%
Exercise books	1,229,330.00	-	1,229,330.00	856,050.00	373,280.00	69.6%
Laboratory equipment	952,950.00	-	952,950.00	610,515.00	342,435.00	64.1%
Internal exams	189,750.00	-	189,750.00	160,135.00	29,615.00	84.4%
Teaching / learning materials	117,921.00	-	117,921.00	289,050.00	(171,129.00)	245.1%
Chalks	15,000.00	-	15,000.00	-	15,000.00	0.0%
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Total	2,583,851.00	-	2,583,851.00	1,999,874.50	583,976.50	77.4%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	5,201,450.00	-	5,201,450.00	4,528,500.00	672,950.00	87.1%
Repairs and maintenance	4,800,000.00	-	4,800,000.00	3,111,500.00	1,688,500.00	64.8%
Local transport / travelling	1,259,000.00	-	1,259,000.00	1,059,890.00	199,110.00	84.2%
Electricity and water	2,356,950.00	-	2,356,950.00	1,735,008.00	621,942.00	73.6%
Medical	350,980.00	-	350,980.00	269,633.15	81,346.85	76.8%
Administration costs	2,900,560.00	-	2,900,560.00	2,536,090.00	364,470.00	87.4%
Activity	950,950.00	-	950,950.00	-	950,950.00	0.0%
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-

LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

Receipt/expenses from	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c
	Kshs	Kshs			Kshs	%
Total	17,819,890.00	-	17,819,890.00	13,240,621.15	4,579,268.85	74.3%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
Fee on Boarding Equipment and Stores	8,906,900.00	-	8,906,900.00	6,034,097.00	2,872,803.00	67.7%
OTHER INCOME						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	-	-	-
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire				59,000.00	(59,000.00)	0.0%
Fee for hire of ground and equipment	-	-	-	-	-	-
Farm	-	-	-	245,865.00	(245,865.00)	0.0%
Income from any other investment	-	-	-	-	-	-
TOTAL INCOME	29,310,641.00		29,310,641.00	21,579,457.65	(1,427,354.35)	73.6%
(1) EXPENDITURE FOR TUITION						

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

Receipt/expense item	Original Budget a	Adjustment b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=a-d	% Utilization f=d/c
	Kshs	Kshs			Kshs	Kshs
Textbooks and reference materials	-	-	-	57,000.00	(57,000.00)	0.0%
Exercise books	1,050,000.00	-	1,050,000.00	850,000.00	200,000.00	81.0%
Laboratory equipment	699,050.00	-	699,050.00	322,025.25	377,024.75	46.1%
Internal exams	328,500.00	-	328,500.00	294,655.00	33,845.00	89.7%
Teaching / learning materials	505,100.00	-	505,100.00	383,997.00	121,103.00	76.0%
Bank Charges	-	-	-	-	-	0.0%
SMASSE	-	-	-	-	-	0.0%
TOTAL	2,582,650.00	-	2,582,650.00	1,907,677.25	674,972.75	73.9%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	4,700,560.00	-	4,700,560.00	2,623,027.55	2,077,532.45	55.8%
Repairs, maintenance & improvements	-	-	-	-	-	0.0%
Local transport / travelling	1,850,585.00	-	1,850,585.00	1,258,101.00	592,484.00	68.0%
Electricity, water and conservancy	2,203,580.00	-	2,203,580.00	1,584,944.00	618,636.00	71.9%
Medical	623,500.00	-	623,500.00	311,968.80	311,531.20	50.0%
Administration costs	2,858,900.00	-	2,858,900.00	1,613,380.00	1,245,520.00	56.4%
Activity Expenses	575,000.00	-	575,000.00	-	575,000.00	0.0%
Infrastructure Account	4,995,000.00	-	4,995,000.00	912,446.34	4,082,553.66	18.3%
SMASSE	-	-	-	-	-	-
	17,807,125.00	-	17,807,125.00	8,303,867.69	9,503,257.31	46.6%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	-	-	-	-	-	-
Repairs, maintenance and improvements	-	-	-	-	-	-

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

Receipt/expenses Item	Original Budget a	Adjustments b	Final Budget c = a + b	Actual on Comparable Basis d	Budget Utilization Difference e = c - d	% of Utilization f = c / d
	KShs	KShs			KShs	KShs
Local transport / travelling	-	-	-	-	-	-
Electricity, water and conservancy	-	-	-	-	-	-
Medical Expenses	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Lunch programme	8,890,500.00		8,890,500.00	3,426,341.50	5,464,158.50	53.0%
Boarding Equipment and Stores	-	-	-	67,983.00	(67,983.00)	0.0%
Expenditure for Income Generating Activity	-	-	-	165,455.20	(165,455.20)	0.0%
Insurance costs	-	-	-	-	-	-
Bus Account	-	-	-	-	-	-
Farm Account	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
TOTALS	8,890,500.00		8,890,500.00	3,659,779.70	3,947,833.00	55.6%
	29,280,275.00		29,280,275.00	15,154,211.94	14,126,063.06	51.8%

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021 Kshs	2019-2020 Kshs
Textbooks and reference materials	84,124.50	20,500.00
Exercise books	856,050.00	556,905.00
Laboratory equipment	610,515.00	329,850.00
Internal exams	160,135.00	137,890.00
Teaching / learning materials	289,050.00	298,805.00
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Total	1,999,874.50	1,343,950.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	4,528,500.00	3,404,100.00
Repairs and maintenance	3,111,500.00	4,116,430.00
Local transport / travelling	1,059,890.00	258,950.00
Electricity and water	1,735,008.00	750,800.00
Medical	269,633.15	145,200.00
Administration costs	2,536,090.00	863,719.00
Activity	-	290,400.00
Total	13,240,621.15	9,829,599.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021 KES	2019-2020 KES
Fee on Boarding Equipment and Stores	6,034,097.00	4,652,483.00
Rent income	-	-
Income from farming activities	-	-
Insurance compensation	-	-
Income from Posho mill	-	-
Income from Bus Hire	-	-
Fee for hire of ground and equipment	-	-
Income from grants and donations*	-	-
Farm Account	245,865.00	-
Bus Account	59,000.00	-
Total	6,338,962.00	4,652,483.00

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 PAYMENTS FOR TUITION

	2020-2021 KES	2019-2020 KES
Textbooks and reference materials	57,000.00	96,574.00
Exercise books	850,000.00	352,890.00
Laboratory equipment	322,025.25	349,453.00
Internal exams	294,655.00	439,450.00
Teaching / learning materials	383,997.00	912,283.50
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	-	-
Total	1,907,677.25	2,150,650.50

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	KShs	KShs
Personnel emoluments	2,623,027.55	2,923,657.00
Service Gratuity	1,613,380.00	1,361,797.00
Administration Cost	-	-
Repairs and maintenance & improvements	1,258,101.00	589,006.00
Local transport / travelling	1,584,944.00	683,032.00
Electricity and water	311,968.80	176,176.00
Medical	-	466,274.00
Activity Expenses	-	-
SMASSE	-	-
Insurance Cost	-	-
Bank Charges	-	-
Infrastructure Account - Multipurpose Hall	912,446.34	8,392,245.00
TOTAL	8,303,867.69	14,592,187.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	KShs	KShs
Personnel emoluments	-	-
Service Gratuity	-	-
Repairs and maintenance & Improvements	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical Expenses	-	-
Administration costs	-	-
Lunch Programme	3,426,341.50	4,709,228.80
Bank Charges	-	13,619.00
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Bus Account	67,983.00	-
Farm Account	165,455.20	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	3,659,779.70	4,722,847.80

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021 Kshs	2019-2020 Kshs
Tuition Account		111,867.00	11,212.75
Operations Account		1,244,335.20	63,135.40
School Fund Account/Boarding		840,110.66	114,394.66
Savings Account		-	39,973.00
Parent Association Development Account		-	-
Income generating activities Account		-	-
Infrastructural Account		396,519.00	42,952.00
Total		2,592,831.86	271,667.81

9 CASH IN HAND

Description	2020-2021 Kshs	2019-2020 Kshs
Tuition Account	57,076.00	43,519.00
Operation Account	-	-
School Fund account	185,537.00	1,879.70
Total	242,613.00	45,398.70

10 SHORT TERM INVESTMENTS

Description	2020-2021 Kshs	2019-2020 Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	KShs	KShs
Fees arrears	3,241,240.00	1,549,909.00
Other non-fees receivables	-	-
Salary advances	-	-
Welfare	4,500.00	6,500.00
Inter-Account Borrowing	-	5,311,205.00
Imprest	-	-
Total	3,245,740.00	6,867,614.00

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

Description	2020-2021	2019-2020
	KShs	KShs
Fees arrears for current year	1,883,440.00	606,533.00
Fees arrears for the previous year	258,500.00	338,950.00
Fees arrears for prior periods (over two years)	1,099,300.00	603,943.00
Total	3,241,240.00	1,549,909.00

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	KShs	KShs
Trade creditors (See ageing below and appendix 1)	3,103,087.50	4,396,100.16
Prepaid fees	54,582.00	54,582.00
Excess Fees	263,405.00	82,538.00
Harambee	-	1,369,902.00
Inter-Account Borrowing	-	5,311,205.00
Total	3,366,492.50	11,214,327.16

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

Description	2020-2021	2019-2020
	KShs	KShs
Trade creditors for current year	1,209,006.50	4,359,652.50
Trade creditors for the previous year	1,894,081.00	36,447.66
Trade creditors for prior periods (over two years)	-	-
Total	3,103,087.50	4,396,100.16

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021 Kshs	2019-2020 Kshs
Bank balances	231,694.81	2,408,742.81
Cash balances	45,398.70	31,194.70
Short Term Investments	-	-
Receivables	5,011,108.80	4,118,157.00
Payables	(9,317,848.96)	(4,948,087.86)
Total	(4,029,646.65)	1,610,006.65



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

Description	2020-2021	2019-2020
	KShs	KShs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		KShs	KShs
Cattle	10		
Goats	-		
Trees	270		
Coffee or tea plantation	-		
Poultry	-		
Total			

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-



Other important disclosure notes

17 Stock/ Inventory

Description	2020/2021 KSh	2019/2020 KSh
b) Borrowings		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	-	-
Balance at end of the year	-	-



LANE 1 SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2021

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue/ Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Comments (When the external auditor expects the issue to be resolved)



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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid In Advance	Outstanding Balance	Outstanding Balance	Comments
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. Multipurpose hall foundation		Oct 2020	2,808,990.00			
Sub-Total						
Supply of goods						
2. Atoms Electricals	14,800.00	27/5/2021	0	14800.00	14800.00	
3. Hook Agencies	37,500.00	28/5/2021	0	37500.00	37,500.00	
4. Narosher Enterprises	51,790.00	21/4/2021	0	51,790.00	51,790.00	
5. Mache Hardware stores ltd	63,320.00	29/6/2021	0	63,320.00	63,320.00	
6. P.M Graphics	11,700.00	7/10/2020	0	11,700.00	11,700.00	
7. Memo Terrazzo	44,730.00	10/10/2020	0	44,730.00	44,730.00	
8. Teachers Welfare	6,600.00	27/5/2021	0	6,600.00	6,600.00	
9. Home Health Educational	16,200.00	19/2/2021	0	16,200.00	16,200.00	
10. Streamline Concept	164,000.00	5/1/2021	0	164,000.00	164,000.00	
11. Ereto Bookshop	201,054.00	12/2/2021	104,100.00	96,954.00	96,954.00	
12. Remo Stationers	797,462.50	26/3/2021	650,000.00	147,462.50	147,462.50	
13. Destiny Inspirations	205,200.00	20/2/2020	0	205,200.00	205,200.00	
14. Martin Kibe	7,500.00	29/6/2021	0	7,500.00	7,500.00	
15. Kings and Queens	12,000.00	13/2/2020	0	12,000.00	12,000.00	
16. Global Smartline Computers	72,000.00	15/6/2021	0	72,000.00	72,000.00	
17. One Planet Publishers	23,089.00	3/11/2020	0	23,089.00	23,089.00	
18. City and Press Publishers	25,800.00	11/11/2020	0	25,800.00	25,800.00	
19. Wheel Step Systems	2,000.00	30/10/2020	0	2,000.00	2,000.00	
20. Puch Mode Enterprises	9,000.00	2/3/2020	0	9,000.00	9,000.00	
21. Roadside Butchery	73,300.00	29/6/2021	0	73,300.00	73,300.00	
22. Poor Servants of Divine Providence	6,000.00	29/6/2021	0	6,000.00	6,000.00	
23. Grace Wairimu Mwangi	20,200.00	30/6/2021	0	20,200.00	20,200.00	
24. Gilanis Supermarket	224,364.00	25/6/2021	0	224,364.00	224,364.00	
25. Faneli Traders	21,840.00	24/6/2021	0	21,840.00	21,840.00	
26. Lanet welfare	52,350.00	18/6/2021	0	52,350.00	52,350.00	
27. Kings and Queens Supplies	289,210.00	27/1/2021	0	289,210.00	289,210.00	
Sub-Total	2,453,009.50		754,100.00	1,698,909.50	1,698,909.50	
Supply of services						
28. Ultra-Modern Technology	34,000.00	27/3/2020	0	34,000.00	34,000.00	
29. Majestic Fire Engineers	78,470.00	18/1/2021	0	78,470.00	78,470.00	
30. Ian Mbugua Consultancy	4,000.00	27/5/2021	0	4,000.00	4,000.00	
31. Copy Solution	17,500.00	18/6/2021	0	17,500.00	17,500.00	



**LANET SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30 June 2021

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance	Outstanding Balance	Amount
32. General Laboratory	17,350.00	15/12/2020	0	17,350.00	17,350.00	
33. Magjom Poshomill	11,050.00	29/6/2021	0	11,050.00	11,050.00	
Sub-Total	162,370.00			162,370.00	162,370.00	
Grand Total	2,615,379.50		754,100.00	1,861,279.50	1,861,279.50	



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

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Information on asset	Information on asset
Land 1	13 acres			
Land 2				
Buildings and structures	6			
Motor vehicles	1			
Office equipment, furniture and fittings	60			
ICT Equipment, and Other ICT Assets	36			
Tools and apparatus				
Textbooks				
Other Machinery and Equipment	1			
Heritage and cultural assets	-			
Intangible assets- soft ware	3			
Total				

(The School should ensure that a detailed fixed assets register is maintained).

