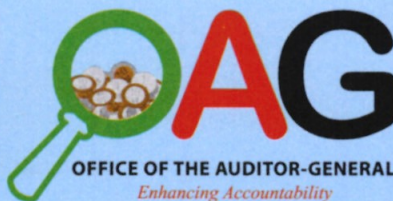


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 18 JUN 2026

DAY

Thursday

TABLED
BY:

Hon. Samuel Chepkonga

(on behalf of leader of Majority)

CLERK-AT
THE-TABLE:

Lomale

PARLIAMENT
OF KENYA
LIBRARY

OF

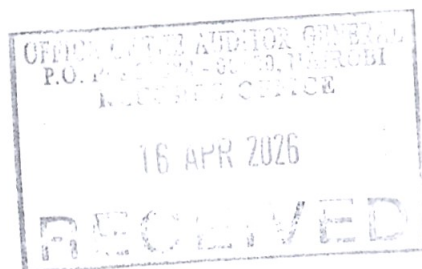
THE AUDITOR-GENERAL

ON

ST. JOSEPH LUMBOKA MEMORIAL
SECONDARY SCHOOL

FOR THE EIGHTEEN MONTHS PERIOD
ENDED 30 JUNE, 2021

BUNGOMA COUNTY



Revised 30th June 2021.



**ST.JOSEPH'S LUMBOKA MEMORIAL SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR 18 MONTHS

ENDED 30TH JUNE 2021

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

Table of Contents

KEY SCHOOL INFORMATION AND MANAGEMENT	3
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL	7
STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	12
REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF ST. JOSEH'S LUMBOKA MEMORIAL SECONDARY SCHOOL OF THE YEAR ENDING 30 TH JUNE 2021	13
STATEMENT OF RECEIPTS AND PAYMENTS	14
STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2021	15
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2021	16
STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2021	17
SIGNIFICANT ACCOUNTING POLICIES	22
NOTES TO THE FINANCIAL STATEMENTS	24

KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in February/2001 under registration number PU/S/2/1390/14 and is currently categorized as a Sub-County public school established, owned or operated by the Government.

The school is a day school and had 336 numbers of students as at 30th June 2021. It has 2 streams and 16 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	Mr. Michael Khaemba	Chairman	23rd April 2019
2	Mss. Judith Mukasa	Secretary - Principal	23rd April 2019
3	Mrs. Dricas Juma	Member	23rd April 2019
4	Mr. Edward Webukhulu	Member	23rd April 2019
5	Mr. Patrick Maelo	Member	23rd April 2019
6	Miss Maxceed Nakhumicha	Member	23rd April 2019
7	Mrs. Gladys Wanyonyi	Member	23rd April 2019
8	Mr. Dismus Sikuku	Member – Rep CEB	23rd April 2019
9	Mr. Protas F. Khaemba	Member Rep Teachers	23rd April 2019
10	Mrs. Alice Simiyu	Member - Sponsor	23rd April 2019
11	Mr. Micah Masoso	Member - Community	23rd April 2019
12	Mr. Juma Maelo	MemberSpecial Needs	23rd April 2019
13	Lusaka Joseph	Rep Students	23rd April 2019

KEY SCHOOL INFORMATION AND MANAGEMENT

The functions 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 paragraph 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	Michael Khaemba	Bom Chair	4
		Judith Mukasa	Bom Secretary	5
		Manuel Wesamba	PA Chair	5
		Alice Simiyu	Treasurer	5
2	Audit Committee	Alice Simiyu	Treasuer	2 out of 3
		Wesamba Manuel	PA Chair	2 out of 3
3	Finance,procurement and general purposes Committee	Michael Khaemba	Bom Chair	4 out of 5
		Judith Mukasa	Bom Secretary	5 out of 5
		Wesamba manuel	PA Chair	5 out of 5
		Alice Simiyu	Treasurer	5 out of 5
		Odondi Ezra	Sub-County Dorector Ministry	5 out of 5
4	Academic Committee	Sikuku Dismus	CEB	2
		Maelo Patrick	Member	2
		Juma Dorcas	Member	2
5	Development Committee			
6	Discipline and welfare Committee	Wesamba Manuel	PA Chair	
		Micah Masoso	Community	
		Gladys Wanyonyi	Member	
		Protas Khaemba	Deputy principal	

St. Joseph' Lumboka Memorial Secondary School
Annual Reports and Financial Statements For the 18 months ended 30th June 2021

		Joseph Lusaka	Student rep.	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Eluid Namisi	279128
2	Deputy Principal	Mr. Protas Khaemba	363154
3	School Bursar	Mrs. Felistus Soita Khamala	N/A

KEY SCHOOL INFORMATION AND MANAGEMENT

(e) Schools contacts

Post Office Box: 2665-50200
Telephone: 0720686961
E-mail: lumbokamemorialssecsch@gmail.com

(f) School Bankers

The following school operated 5 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: CO-OP BANK
Branch: BUNGOMA
Account Number: 01139049916400
2. Name of Bank: CO-OP BANK
Branch: BUNGOMA
Account Number: 01139049916401
3. Name of Bank: CO-OP BANK
Branch: BUNGOMA
Account Number: 01139049916402
4. Name of Bank: CO-OP BANK
Branch: BUNGOMA
Account Number: 01129049916400
5. Name of Bank: KCB
Branch: BUNGOMA
Account Number: 1271903598

(g) Independent Auditors

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

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:

I) SURPLUS/DEFICIT FROM 2018-2021

Year	Surplus Amount (Ksh)
2018	375537.60
2019	483,725
2020-2021	2,140,605

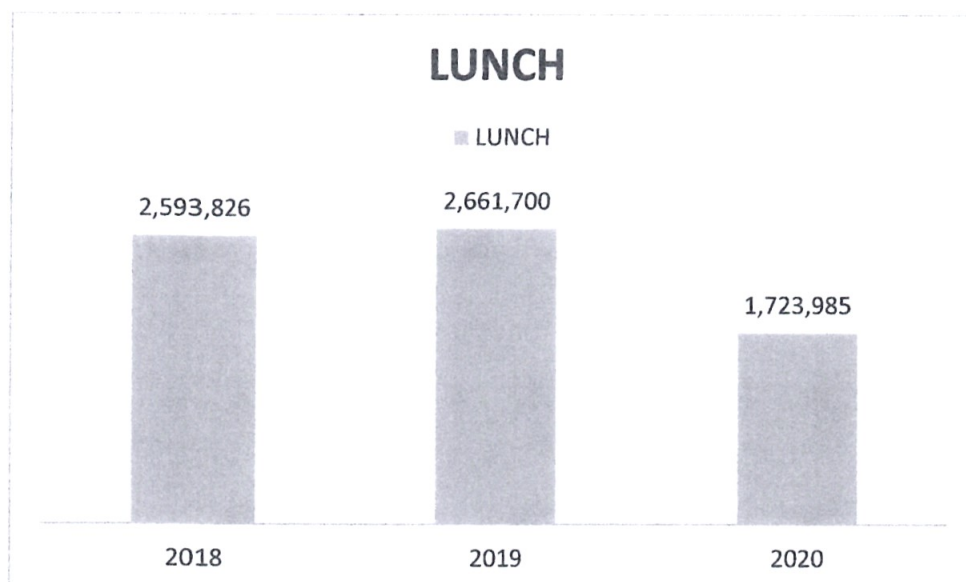
II) CAPITATION GRANTS

YEAR	AMOUNT (Ksh)
2018	6,933,655.02
2019	6,190,994.85
2020/2021	7,902,466

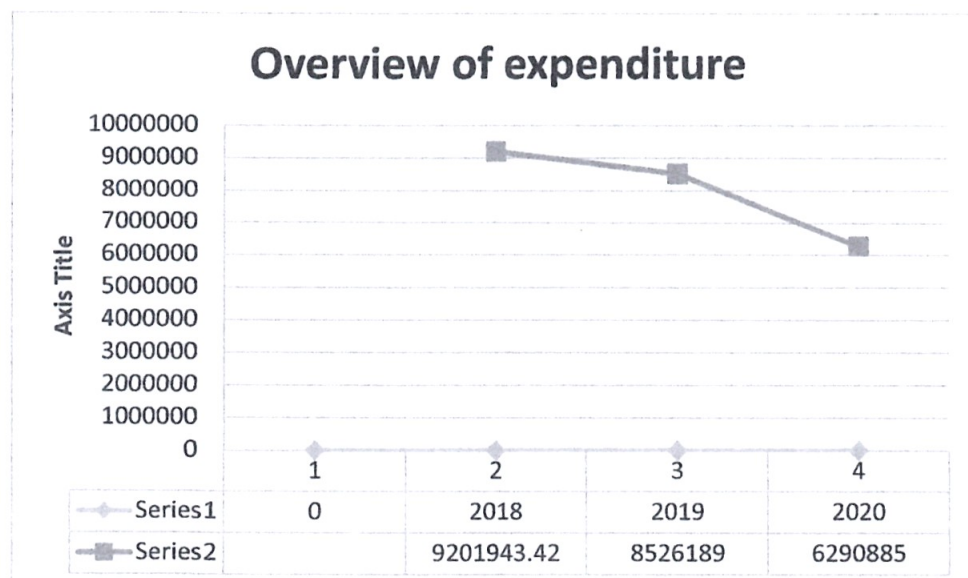
III) RATIO PER STUDENT

YEAR	AMOUNT (Ksh)
2018	22,244
2019	22,244
2020	22,244

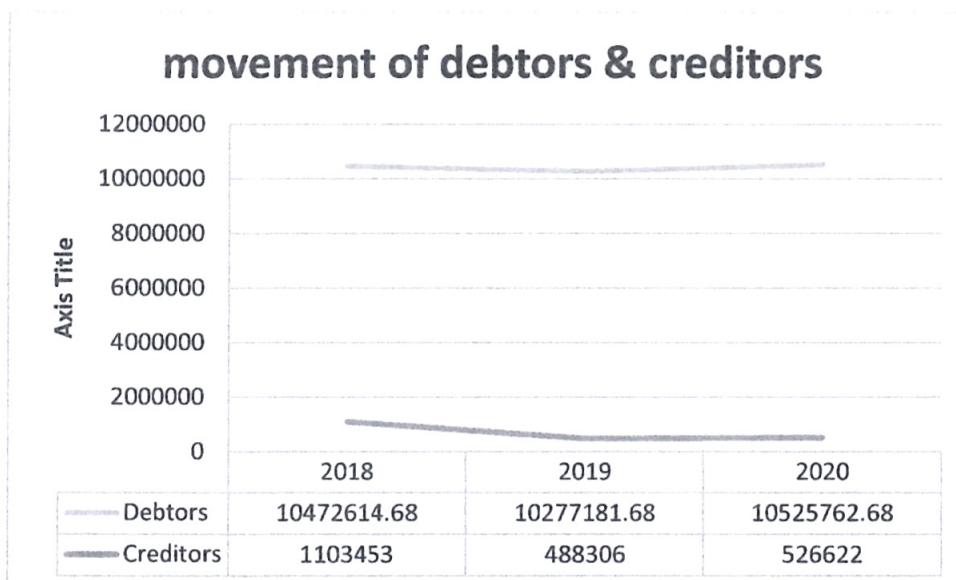
IV) OTHER INCOMES BY THE SCHOOL (KSH)



V) THREE YEAR OVERVIEW OF EXPENDITURE (Ksh)



VI) MOVEMENT OF DEBTORS AND CREDITORS



TEACHER STUDENT RATIO:

Teacher/students Ratio	Newly posted teacher(s)	Transferred Teacher(s)	Retired teacher(s)	TSC teacher.	BOM teachers
1/23	1	1	0	11	5

TSC TEACHERS PER SUBJECT

Subject	Number of TSC teacher	Deficit/ Surplus
English	1	-3
Kiswahili	2	-2
Maths	3	-1
Chemistry	2	-2
Physics	1	-3
Biology	2	-2
History	2	-2
Geography	2	-2
CRE	4	0
Agriculture	1	-3
Business studies	1	-3

b) Mean score in the 2020 KCSE:

YEAR	ENTRY	MEAN SCORE	PI	UNIVERSITY QUALIFIERS
2017	66	2.53		-
2018	76	3.3947	+0.8647	8
2019	63	4.41	+ 1.0153	13
2020	93	4.065	-0.345	8

Number of Candidates in the last 3 years in KCSE:

YEAR	ENTRY
2017	66
2018	76
2019	63
2021	93
2022	76

c) Capacity of the school:

S/NO.	FACILITIES	Enrolment	No.	Shortage	Capacity
1	CLASSROOMS	336	9	1	320
2	TOILETS - BOYS	202	8	-	200
	- GIRLS	134	8	-	
	- TEACHERS		4	6	
3	LABORATORY		-	Twine laboratory	-
4	DINING HALL		Under construction	Fund needed to complete	-
5	COMPUTER LABORATORY		-	needed	-
6	LIBRARY		-	needed	-

d) Development projects carried out by the school:

S/no.	Project for 2021/2022	Sources of funds	Amount
1	Mult-Purpose Hall	M & I Government funding	

Sign



School Principal

The image shows a circular official stamp of St. Joseph' Lumboka Memorial Secondary School. The stamp contains the text 'ST. JOSEPH'S LUMBOKA MEMORIAL SECONDARY SCHOOL' around the perimeter and 'P.O. BOX 1000 LUMBOKA' in the center. A handwritten signature is written across the stamp.

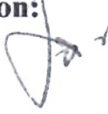
STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

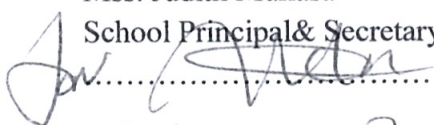
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

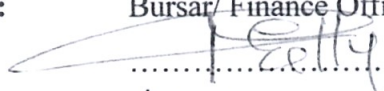
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

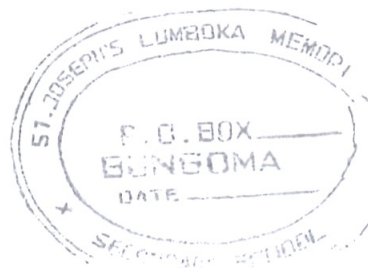
The Board of Management of ST. JOSEPH'S LUMBOKA MEMORIAL SECONDARY SCHOOL accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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: Mr. Michael Khaemba
Designation: Chairman, School Board of Management
Sign: 
Date: 14.4.2026

Name: Mss. Judith Mukasa
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 14.4.2026

Name: Felistus Soita Khamala
Designation: Bursar/ Finance Officer
Sign: 
Date: 14.4.2026



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. JOSEPH LUMBOKA MEMORIAL SECONDARY SCHOOL FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE, 2021 – BUNGOMA 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; and,
- 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 financial statements of St. Joseph Lumboka Memorial Secondary School set out on pages 14 to 32, which comprise the statement of financial assets

Report of the Auditor-General on St. Joseph Lumboka Memorial Secondary School for the eighteen months period ended 30 June, 2021 – Bungoma County

and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the 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 St. Joseph Lumboka Memorial 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. Unsupported Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.10,680,077 as disclosed in Note 11 to the financial statements. However, the supporting schedules and detailed aging analysis were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.10,680,077 could not be confirmed.

2. Undisclosed Bank Accounts and Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,475,376 as disclosed in Notes 8 and 9 to the financial statements. Included in the balance is Parents Association Development bank account with a balance of Kshs.57,980. However, the bank balance was not supported by cash books, bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of the cash and cash equivalents balance of Kshs.1,475,376 could not be confirmed.

3. Inaccuracies of the Financial Statements

The statement of receipts and payments reflects an amount of Kshs.2,805,312 in respect of school fund income – parents' contributions. However, the amount differs with the amount of Kshs.2,911,394 reflected in the supporting schedule by an unexplained variance of Kshs.106,082.

Further, the statement reflects total receipts of Kshs.10,882,878 which differs with the total actual receipts of Kshs.10,131,741 reflected in the statement of budgeted versus actual amounts by an unexplained variance of Kshs.51,137.

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

4. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,079,308 and Kshs.6,823,158, as disclosed in Notes 1 and 2 to the financial statements, respectively, all totalling Kshs.7,902,466. Review of the National Education Management Information System (NEMIS) capitation disbursements made to the School and the amount receipted by the School revealed an amount of Kshs.5,675,986 whereas the NEMIS reflects capitation amount of Kshs.3,232,113 leading to an unexplained variances of Kshs.2,226,480 and Kshs.2,443,873, respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations amounting to Kshs.436,053 and Kshs.2,796,061 respectively, could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects the final receipts budget and actual on a comparable basis of Kshs.15,538,012 and Kshs.10,131,741, respectively, resulting in an under-funding of Kshs.5,406,271 or 35% of the budget. However, the School spent an amount of Kshs.8,742,273 against actual receipts amounting to Kshs.10,131,741, resulting in an under-utilization of Kshs.1,389,468 or 14% of actual receipts.

The under-funding and under-absorption 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 judgement, are of most significance in the audit of the financial statements. Except for the effect 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 Matter

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 eighteen (18) 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.

Other Information

Management is responsible for the Other Information set out on pages 2 to 12 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.

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 conclusion thereon.

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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.2,854,906 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.50,000 transferred to Bumula District Heads Association and KESSHA Bungoma branches of Kenya Secondary Schools 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.50,000 could not be confirmed.

2. Long Outstanding Payables

The statement of financial assets and liabilities and, as disclosed in Note 12 to the financial statements, reflects payables balance of Kshs.333,697. However, included in the balance is a trade payables balance of Kshs.71,480 which had been outstanding for more than two (2) years, and risk of loss of public funds through litigations, interests and penalties. Failure to settle the payables is contrary to Regulation 83(2)(b) of the Public Finance Management (National Government) Regulations, 2015 which states, *inter alia*, that for purposes of this regulation, sound cash management includes ensuring payments, are made when due.

In the circumstances, Management was in breach of the law and exposed the School to potential litigation and unnecessary financial costs.

3. Late Submission of Financial Statements for Audit

Management submitted the financial statements for the period ended 30 June, 2021 to the Office of the Auditor-General on 15 February, 2023, more than sixteen (16) months after the statutory deadline of 30 September, 2021. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012 which states that not later than three months after the end of each financial year, the accounting officer for the entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

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

4. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum

implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.9,681,058. However, Management did not prepare an updated fixed assets register nor provide a basis for the valuation of the assets.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects the accounts receivable balance of Kshs.10,680,077 in respect of accounts receivable which, as disclosed in Note 11 to the financial statements, includes Kshs.10,679,076 in respect of fees arrears. However, the balance further includes a balance of Kshs.9,927,940, which had been outstanding for more than two (2) years. In addition, there was no policy on the impairment of long outstanding fees arrears, casting doubt on the full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management 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 those charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

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

24 April, 2026

STATEMENT OF RECEIPTS AND PAYMENTS

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,079,308	1,190,502
Capitation grants for operations	2	6,823,158	5,162,772
School Fund Income- Parents' Contributions	3	2,805,312	2,661,700
School Fund Income- Other receipts	4	175,100	
Proceeds from borrowings			
TOTAL RECEIPTS		10,882,878	9,014,974
PAYMENTS			
Payments for Tuition	5	1,045,263	1,195,502
Payments for operations	6	4,842,104	5,111,280
Boarding and school fund payments	7	2,854,906	2,224,407
TOTAL PAYMENTS		8,742,273	8,531,189
SURPLUS/DEFICIT		2,140,605	483,785

The school financial statements were approved on _____ 2021 and signed by:

Sign:

Name

Chair BOM

Date

Sign

Name

School Principal/
Secretary to BOM

Date

Sign

Name

Bursar/
Finance Officer

Date



STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,464,172	119,430
Cash Balances	9	11,204	254
Short term Investment			
Total Cash and cash equivalent		1,475,376	119,684
Account's receivables	10	10,680,077	10,049,773
TOTAL FINANCIAL ASSETS		12,155,453	10,169,457
FINANCIAL LIABILITIES			
Accounts Payables	11	333,697	488,306
NET FINANCIAL ASSETS		11,821,756	9,681,151,
REPRESENTED BY			
Accumulated Fund b/fwd	12	9,681,151	9,197,366
Surplus/Deficit for the year		2,140,605	483,785
NET FINANCIAL POSSITION		11,821,756	9,681,151

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

Name: Peter Wafula
Chairman, BoM

Sign: [Signature]

Date: 14/4/2026

Name: George
School Principal/Secretary to BoM

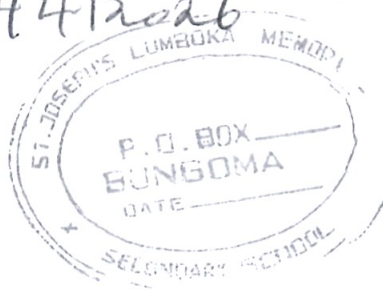
Sign: [Signature]

Date: 14/4/2026

Name: Felista Soria
Bursar/Finance Dhamala

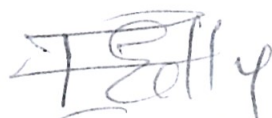
Sign: [Signature]

Date: 14/4/2026



STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,079,308	1,190,502
Capitation grants for operations	2	6,823,158	5,162,772
School fund income- Parents contributions/ fees	3	2,229,275	2,661,700
School fund income- other receipts			
Total receipts		10,131,741	9,014,974
Payments			
Payments for Tuition		1,125,898	1,195,502
Payments for operations		4,036,058	5,111,280
Payments of infrastructure		728,187	
Boarding and school fund payments		2,885,906	2,224,407
Total payments		8,776,049	
Net cash flow from operating activities		1,355,692	
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities		1,355,692	
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalent at BEGINNING of the year		119,684	
Cash and cash equivalent at END of the year		1,475,376	119,684


 Felistus Soita Khamale
 Bursar
 14/4/2021

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR 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	1,044,966		1,044,966	-	-	(100%)
Exercise books	354,576		354,576	-	-	(100%)
Laboratory equipment	143,424		143,424	-	-	(100%)
Internal exams	589,134		589,134	-	-	(100%)
Teaching / learning materials	39,840		39,840	1,079,308	1,14,404	48%
Chalks	20,916		20,916	-	-	(100%)
Exams and assessment						
Teachers guides	35,856		35,856	-	-	(100%)
TOTAL	2,228,712		2,228,712	1,079,308	1,149,404	48%
(2) CAPITATION GRANT ON OPERATIONS						
Others	4,186,200		4,186,200	3,977,158	209,042	95%
Repairs and maintenance	2,820,000		2,820,000	2,650,000	170,000	94%
Local transport / travelling						
Electricity and water						
Medical/Property	996,000		996,000	65,200	930,800	7%
Administration costs						

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
Activity	747,000		747,000	130,800	616,200	18%
SMASSE	99,600		99,600			
TOTAL	8,848,800		8,848,800	6,823,158	2,025,642	77%
(3) FEES CHARGED ON PARENTS						
Lunch	4,460,500		4,460,500	2,054,175	2,406,325	46%
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
SMASSE						
Fee on Boarding Equipment and Stores						
OTHER INCOME						
Rent income						
Income from farming activities	-	-	-	97,300	-	100%
Insurance compensation						
KCSE				77,800	-	100%
Income from Bus Hire						
Interest income						
Income from any other investment						
TOTAL INCOME	15,538,012		15,538,012	10,131,741	5,521,871	64%

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
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	1,044,966		1,044,966			
Exercise books	362,800		362,800	189,870	172,930	52%
Laboratory equipment	192,451		192,451	176,000	16,451	91%
Internal exams	582,595		582,595	670,633	-88,038	115%
Teaching / learning materials	8,678		8,678	8,760	82	100%
Chalks	21,900		21,900	-	-	(100%)
Exams and assessment						
Teachers guides	15,322		15,322	-	-	(100%)
Administration costs						
Bank Charges						
TOTAL	2,228,712		2,228,712	1,045,263	1,183,449	47%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,418,084		2,418,084	2,091,367	326,717	86%
Repairs, maintenance & improvements	2,490,000		2,490,000	728,187	1,144,976	29%
Local transport / travelling	789,346		789,346	591,044	198,302	75%
Electricity, water and conservancy	618,050		618,050	425,863	192,187	69%
Medical/property	824,840		824,840	119,070	705,770	14%
Administration costs	740,640		740,640	607,188	133,452	82%
Activity Expenses	868,240		868,240	279,385	588,855	31%
Gratuity						
SMASSE	99,600		99,600	-	-	(100%)

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
TOTAL	8,848,800		8,848,800	4,842,104	4,006,696	55%
(3) EXPENDITURE FOR SCHOOL FUND						
Personal emolument						
Repairs, maintenance and improvements						
Local transport / travelling						
Electricity, water and conservancy						
Medical Expenses						
Administration costs						
Activity						
Gratuity						
Lunch program	4,460,500		4,460,500	2,854,906	1,605,594	64%
Boarding Equipment and Stores						
Expenditure for Income Generating Activity						
Insurance costs						
Other expenses on investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition of Assets						
TOTALS	15,538,012		15,538,012	8,742,273	6,795,739	56%

1.RECEIPTS

i) CAPITATION ON GOVERNMENT GRANTS

- a) Tuition; percentage utilization was 48. Not all monies were dispersed despite of an increase in the number of students against the budgeted amount.
- b) Operational grant: percentage utilization was 77% as not all monies were dispersed.
- c) School fund Account: 64% utilization due to non-payment of fees by parents resulting from COVID 19 challenges

2.EXPENDITURES

- A) Exercise books had 52% utilization as not all funds were dispersed.
- B) Internal exams had utilization of 115 % due to the inflation in prices as a result of COVID
- C) LT & T had 75% utilization rates. This was due to minimal travels as a result of COVID restrictions
- D) Medical and Property had 14% utilization. This resulted from under-funding of the same.
- E) Administrative Costs had 82% utilization. This was as a result of prudent utilization of available resources.
- F) Lunch had 64% utilization due to non –fee payment by parents

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

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.

NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	1,079,308	1,190,502
Chalks		
Exams and assessment		
Teachers guides		
Total	1,079,308	1,190,502

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	2,650,000	1,860,000
Local transport / travelling		
Electricity and water		
Medical	65,200	511,453
Others	3,977,158	2,409,053
Activity	130,800	382,266
Total	6,823,158	5,162,772

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Lunch	2,805,312	2,661,700
Administration costs		
Activity		
Total	2,805,312	2,661,700

NOTES TO THE FINANCIAL STATEMENTS

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
Rent income		
Income from farming activities	97,300	
Insurance compensation		
Income from Posho mill		
Income from Bus Hire		
Fee for hire of ground and equipment		
Income from grants and donations*		
KCSE	77,800	
Dividends income		
Total	175,100	

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		16,120
Exercise books	189,870	347,820
Laboratory equipment	176,000	327,750
Internal exams	670,633	430,692
Teaching / learning materials		60,120
Chalks		13,000
Exams and assessment		
Teachers guides	8,760	
Administration Costs		
Bank Charges		
Total	1,045,263	1,195,502

NOTES TO THE FINANCIAL STATEMENTS

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	2,091,367	1,262,880
Service Gratuity		
Administration Cost	607,188	639,067
Repairs and maintenance & improvements	728,187	1,207,252
Local transport / travelling	591,044	900,964
Electricity and water	425,863	373,800
Medical	119,070	212,247
Activity Expenses	279,385	515,070
SMASSE		
Insurance Cost		
Bank Charges		
Acquisition of Assets		
TOTAL	4,842,104	5,111,280

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	2,705,356	2,224,407
Bank Charges		
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores		
Farm Expenses	60,450	
Insurance Cost (Life Property)		
KCSE	89100	
Loan Interest repayment		
Acquisition of Assets		
TOTAL	2,854,906	2,224,407

NOTES TO THE FINANCIAL STATEMENTS

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		8,551	5,036
Operations Account		470,042	7,453
School Fund Account/Boarding		7,320	32,952
Savings Account		16,009	16,009
CDF		57,980	57,980
Income generating activities Account			
Infrastructural Account		904,269	
Total		1,464,171	119,430

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account		
Operation Account	1,344	142
School Fund account	9,860	112
Total	11,204	254

10 SHORT TERM INVESTMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	10,679,077	10,049,773
Other non-fees receivables		
Salary advances	1,000	
Imprest		
Total	10,680,077	10,049,773

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	427,148	
Fees arrears for the previous year	323,989	
Fees arrears for prior periods (over two years)	9,927,940	
Total	10,679,077	10,049,773

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors	304,991	389,155
Prepaid fees	3,000	99,151
NSSF	25,706	
Total	333,697	488,306

AGEING ANALYSIS

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	233,511	389,155
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)	71,480	
Total	304,991	389,155

NOTES TO THE FINANCIAL STATEMENTS

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	119,430	
Cash balances	254	
Short Term Investments		
Receivables	10,049,773	
Payables	488,306	
Total	9,681,151	

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

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle			
Goats			
Trees			
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	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	30,705	25,420
Stock/ inventory purchased during the year	2,078,387	3,021,581
Stock/ inventory issued during the year	2,005,957	3,016,296
Balance at end of the year	103,135	30,705

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. JEZZITICAH ENTERPRISE	35,000	2021				
5. MEGA BOOKSHOP	14,985	2021				
6. CHRISPIUS WAFULA	40,000	2021				
7. CHRISPINUS KERE	30,000	2021				
8. RUTH OTIENO	71,480	2014				
Sub-Total	191,465					
Supply of services						
9. WORKERS SALARIES	113,526	2021				
10.						
11.						
Sub-Total	113,526					
Grand Total	304,991					

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st January 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	1998	South Mateka	200,000			200,000
Land 2	2014	South Mateka	600,000			600,000
Land 3	2016	South Mateka	600,000			600,000
Furniture	2020 & below		1,800,000			1,800,000
Office equipment-Photocopier -1	2016		120,000			120,000
-Photocopier -2	2020		120,000			120,000
ICT Equipment, - 4 Desk tops	2018		104,000			104,000
- 1 lab top	2018		40,000			40,000
-Printer	2015		30,000			30,000
- Printer	2018		35,000			35,000
Generator	2017		44,000			44,000
Textbooks	2020 & below		4,814,040	575,018		5,389,058
Trees			599,000			599,000
Heritage and cultural assets						

St. Joseph' Lumboka Memorial Secondary School
Annual Reports and Financial Statements For the 18 months ended 30th June 2021

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st January 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
TOTAL			9,106,040	575,018		9,681,058

