

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE 09 JUN 2026

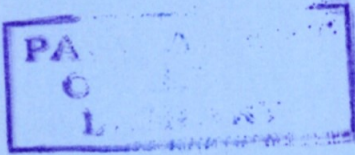
DAY. Tuesday

TABLED BY:

Hon. Naomi Vago

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THE AUDITOR-GENERAL

PARLIAMENT OF KENYA LIBRARY

ON

AREMIET MIXED SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

ISIOLO COUNTY

Revised 30th June 2021.



**AREMIET NUR MIXED SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

AREMIET MIXED SECONDARY 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 **ISIOLO** County, **Isiolo North** Sub-County

The school was fully registered in 2021 under registration number 11S30000144 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 36 students as at 30th June 2021. It is **Single** stream and has 9 teachers of which 0 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	JOSEPH ESKUKU	Chairman	JUNE 2019
2	JULIUS KIMATHI RIUNGU	Secretary - Principal	JUNE 2019
3	STEPHEN LOBOKAN	Member	JUNE 2019
4	LOTHURU ALETIA	Member	JUNE 2019
5	PAULINE EWOI	Member	JUNE 2019
6	NOAH ESKON	Member	JUNE 2019
7	JULIUS LOPEYOK	Member	JUNE 2019
8	OMAR GABLA	Member – Rep CEB	JUNE 2019
9	PAUL ODHIAMBO	Member Rep Teachers	JUNE 2019
10	JEREMIAH EKWAM	3 Members - Sponsor	JUNE 2019
11	SABINA EKITERA	3 Members - Sponsor	JUNE 2019
12	VERONICA MATHE	3 Members - Sponsor	JUNE 2019
13	HARRIET SONAYAN	Member - Community	JUNE 2019
14	PAULINA EWOI	Member Special Needs	JUNE 2019
15	EMELIO ESAKON	Rep Students	JUNE 2019
16	SAMUEL LOKORO	Coopted member	JUNE 2019
17	JOSPHINE EKIRU	Coopted member	JUNE 2019

KEY SCHOOL INFORMATION AND MANAGEMENT

The function of the School Board of Management includes:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Joseph Eskuku 2. Julis Kimathi 3. Stephen Lobokan 4. Pauline Ewoi 5. Sabina Ekitara	Chairman Secretary V chair Member Member	2 out of 3 2 out of 3 2 out of 3 2 out of 3 2 out of 3
2	Finance, procurement and general purposes Committee	1. Julius Lopeyok 2. Julius Kimathi 3. Samuel Lokoro 4. Joseph Eskuku	CHAIRMAN	1 out of 2 1 out of 2 1 out of 2 1 out of 2
3	Academic Committee	1. Jeremiah Ekwam 2. Harriet Santayon 3. Paul Odhiambo 4. Julius Kimathi	CHAIRMAN	1 out of 2 1 out of 2 1 out of 2 1 out of 2
4	Displine and welfare committee	Samuel Lokoro Josphen Ekiru	CHAIRMAN	1 out of 2 1 out of 2

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		Omar Gabra		1 out of 2
		Abduba Bagaja		1 out of 2
5	Adhoc Committee (if any during the year)	Julis Lopeyok		1 out of 2
		Samuel Lokoro		1 out of 2
		Abduba Bagaja		1 out of 2
		Paul Odhiambo		1 out of 2

(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	Identification
1	Principal	JULIUS R. KIMATHI	TSC No. 305011
2	Deputy Principal	ABDUBA BAGAJ A	TSC No. 3756

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 56-60300 Isiolo
Telephone: 0721 583 881
E-mail: aremietmixedsecondary@gmail.com

(f) School Bankers

The school operates 5 bank accounts in the following banks.

MAIN ACCOUNT

Name of Bank: K.C.B
Branch: ISIOLO
Account number: 1234735229

OPERATION ACCOUNT

Name of Bank: K.C.B
Branch: ISIOLO
Account number: 1226156614

TUITION ACCOUNT

Name of Bank: K.C.B
Branch: ISIOLO
Account number: 122289180

INFRASTRUCTURE ACCOUNT

Name of Bank: K.C.B
Branch: ISIOLO
Account number: 1260150674

Name of Bank: EQUITY
Branch: ISIOLO
Account number: 041028127120 (CDF) ACCOUNT

(g) Independent Auditors

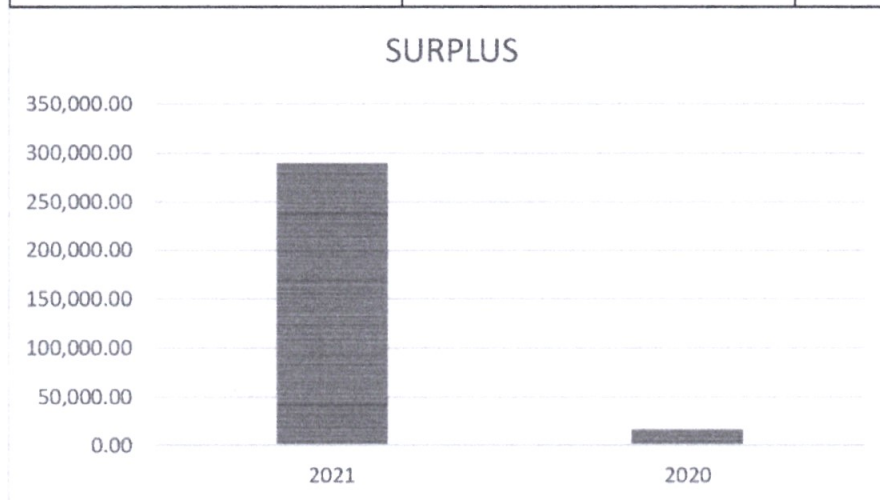
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

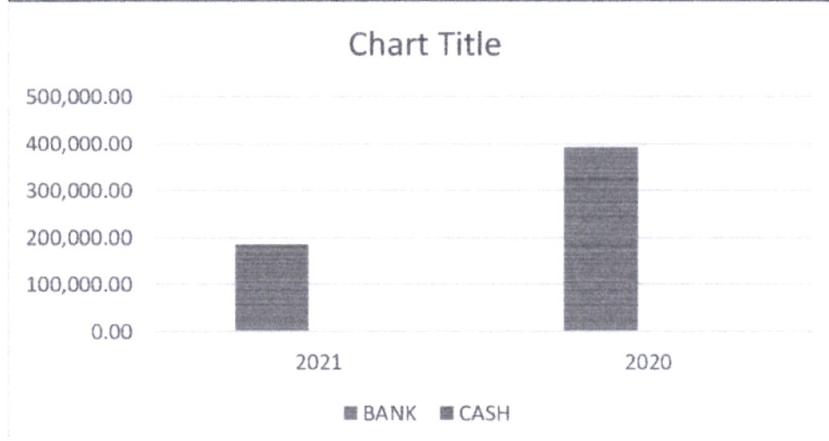
a) **Financial performance:**

	2021	2020
SURPLUS	289,537.00	16,274.00
TOTAL	289,537.00	16,274.00



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

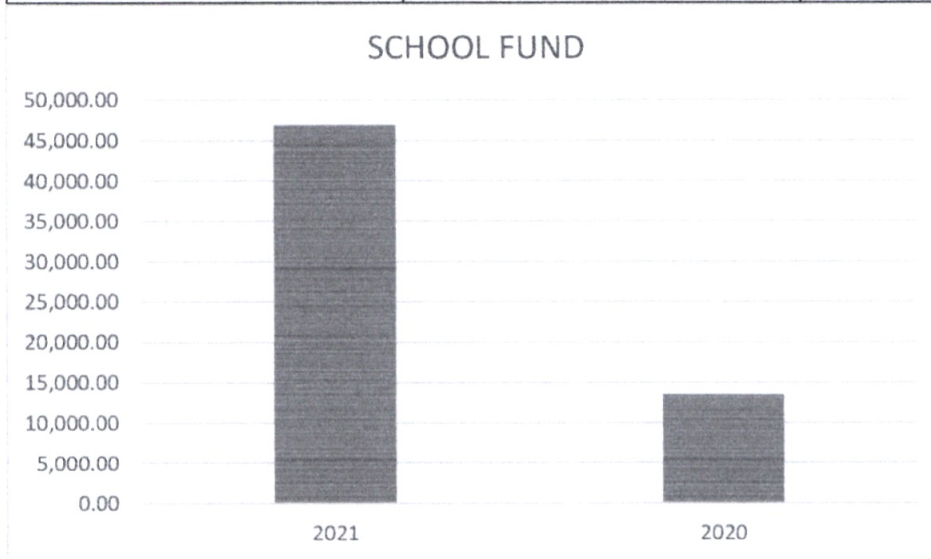
	2021	2020
TUITION	26,055.00	42,570.00
OPERATION	163,311.00	144,775.00
TOTAL	189,366.00	187,345.00



**AREMIET MIXED SECONDARY SCHOOL
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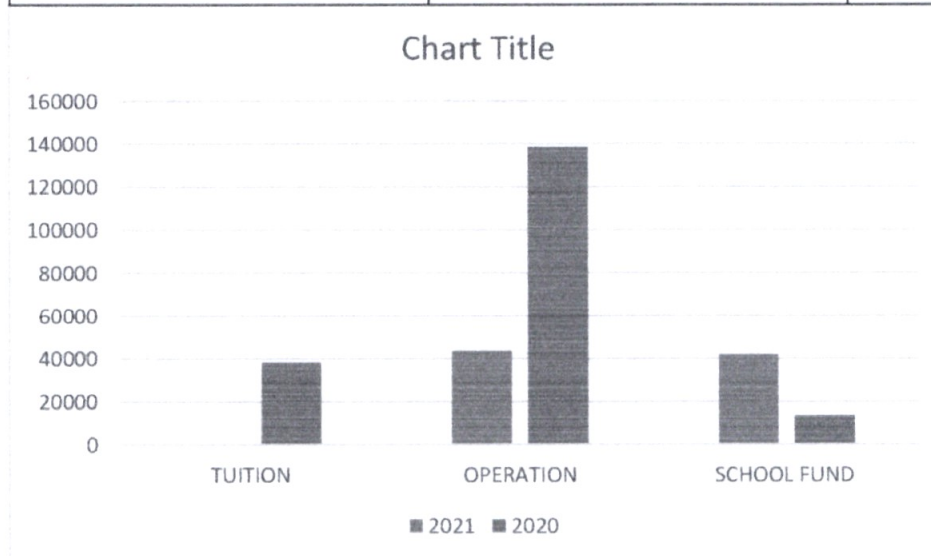
- A three-year overview of growth of other income(s) earned by the school.

	2021	2020
SCHOOL FUND	46,900.00	13,500.00



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

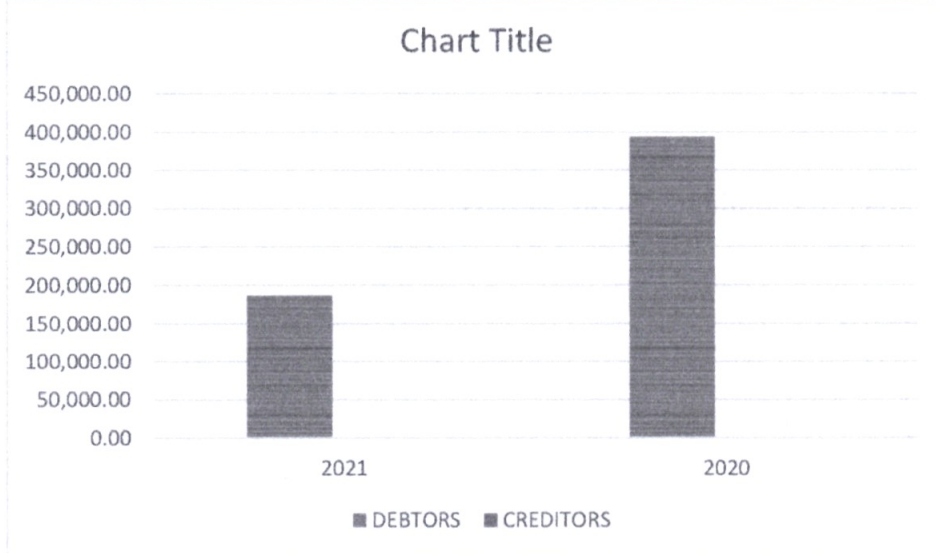
	2021	2020
TUITION	486.00	38,455.00
OPERATION	43,632.00	138,490.00
SCHOOL FUND	42,011.00	13,626.00
TOTAL	86,129.00	184,571.00



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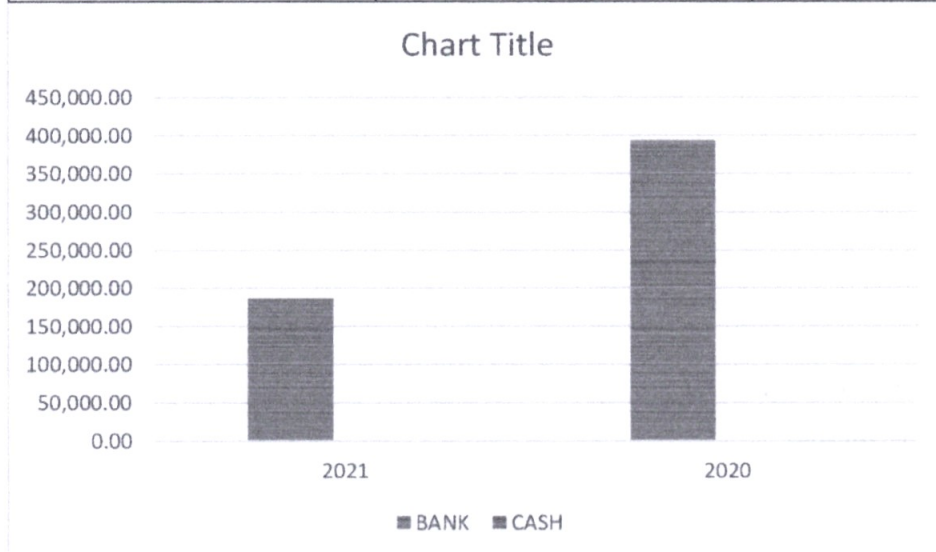
- *Movement of debtors and creditors of the school over the last three years*

	2021	2020
DEBTORS	186,412.40	393,690.40
CREDITORS	215.00	-
TOTAL	186,627.40	393,690.40



Cash and bank balances

	2021	2020
BANK	186,412.40	393,690.40
CASH	215.00	-
TOTAL	186,627.40	393,690.40



b) **Teacher Student ratio:**

36/= 1:4

c) **Mean score in the 2021 KCSE:**

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN SCORE</i>	<i>DEV</i>
<i>2020</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>2021</i>	<i>12</i>	<i>2.083</i>	<i>N/A</i>

d) **Number of Candidates in the 2021KCSE:**

<i>YEAR</i>	<i>2021</i>	<i>2020</i>
<i>TOTAL</i>	<i>12</i>	<i>0</i>

e) **Capacity of the school:**

The school has 36 students but has a capacity of 180 students, 4 classrooms, 6 pit latrine, temporally kitchen and small office. No dining hall, no laboratory, no staffroom and library

Development projects carried out by the school:

Projects	Source of funds	Status	Amount Spent (Kshs)
2 CLASSROOMS	Isiolo North CDF	On going	2,600,000.00

...**JULIUS R. KIMATHI**...
 School Principal



III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of *Aremiet Mixed Secondary* 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: JULIUS LOPEIYOK
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 30.3.26

Name: Fredrick Inuba
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 30.03.26



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 AREMIET MIXED SECONDARY SCHOOL FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2021 – ISIOLO 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 accompanying financial statements of Aremiet Mixed Secondary School set out on pages 12 to 29, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, the

Report of the Auditor-General on Aremiet Mixed Secondary School for the six-months period ended 30 June, 2021 - Isiolo County

statement of cash flows and statement of budgeted versus actual amounts for the six-months 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 Aremiet Mixed 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.186,627. However, the bank accounts reconciliation statements for the four bank accounts held by the School were not provided for audit review and the school did not prepare board of survey report to confirm the reported cash and cash equivalents balances.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.186,627 could not be confirmed.

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivable balance of Kshs.615,550, representing fees arrears. However, the supporting schedules, detailed aging analysis, issued invoices and listing of the students with outstanding fees indicating how much each owes were not provided for audit review. Further, the School does not have a debt policy in place and no explanation was provided by Management on how to recover the amount.

In the circumstances, the accuracy and completeness of accounts receivable balance of Kshs.615,550 could not be confirmed.

3. Unsupported School Fund Income - Parents' Contribution

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects total school fund income - parents' contribution receipts of Kshs.543,500. However, Management did not provide supporting revenue ledgers, including records relating to the lunch program, for audit verification.

In the circumstances, the accuracy, completeness and regularity of the school fund income - parents' contribution amount of Kshs.543,500 could not be confirmed.

4. Unsupported Boarding and School Fund Payments

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects boarding and school fund payments amounting to Kshs.42,011. However, examination of payment records revealed that Management made payments on lunch program totalling Kshs.39,885 without proper support documents such as purchase requisitions, orders and delivery notes.

In the circumstances, the accuracy, completeness and regularity of the boarding and school fund payments amount of Kshs.39,885 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional 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 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.

Other Information

Management is responsible for the Other Information set out on page 2 to 10 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. Unreconciled Students Enrolment Data

The statement of receipts and payments and as disclosed in Note 1 and Note 2 to the financial statements reflects capitation grants for tuition and capitation grants for operations totalling Kshs.42,366. Comparison of data from National Education Management and Information System (NEMIS) with the school records revealed that NEMIS reflected students enrollment of twenty (20) while records from the school had thirty-nine (39) students, resulting to an underfunding of the school by an amount of Kshs.179,897 This was contrary to Ministry of Education vide Circular MOE.HQs/3/10/18/ (46) dated 7 February, 2022 and Circular MOE.HQS/3/13/3 dated 16 June, 2021 issued guidelines on implementation of Free Day Secondary Education (FDSE) requires that all learners to be registered in NEMIS the principals to ensure their records are accurate.

In the circumstances, under-funding of the school may have affected service delivery to the students.

2. Lack of a Procurement Plan

The statement of receipts and payments reflects total receipts and payments balances of Kshs.732,866 and Kshs.443,329, respectively. However, during the period under review, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and

Asset Disposal Regulations, 2020 which states that a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

3. Unbalanced Budget

The statement of budgeted versus actual amount reflects casted budgeted total income of Kshs.309,366 and budgeted total expenditure of Kshs.161,306 resulting to a variance of Kshs.148,060. However, no explanation was provided as to why the school board approved the unbalanced budget contrary to section 33 of the Public Finance Management (National Government) Regulations, 2015 which requires the budget to be balanced.

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

4. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, 2019 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 law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

Basis for Conclusion

1. Ineffective Management of Textbooks

Audit review of textbook management revealed that the school did not have a proper receipt and verification process including updated stores records, preparing and filing goods received notes, conducting periodic stock takes, and ensuring proper issuance and accountability of textbooks to learners, for managing textbooks received from the Kenya Institute of Curriculum Development. There was no updated textbook inventory register and there was no clear allocation or issuance record to learners or classes.

In the circumstances, the effectiveness of internal controls on text books management could not be confirmed.

2. Ineffective Board of Management and Committees

Review of the Management records revealed no evidence to confirm that the Board convened any meetings during the period under review. This was contrary to Section 6(1) of the Basic Education Act, 2013, which requires the Board to meet at least once every four months. Further, although the Board had established committees, namely the Academic Committee, Discipline and Welfare Committee, Audit, Budget and Finance Committee, and Enrolment Improvement and Development Committee, no supporting documentation such as attendance registers or minutes was provided to demonstrate that these committees held meetings during the period under review, as reported in the financial statements.

In the circumstances, the effectiveness of governance and oversight by the Board of Management and its committees could not be confirmed.

3. Lack of an Internal Audit Function and Audit Committee

During the period under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

4. Lack of an Approved Risk Management Policy

The School did not have a risk management policy, contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires accounting officers to ensure that government entities develop a risk management strategy, which include fraud prevention mechanisms; and a system of risk management and internal control that builds robust business operations.

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

5. Weaknesses in Management of Assets

Annex 2 to the financial statements on the summary of the fixed assets register reflected a balance of Kshs.1,482,722, which included school land recorded at a historical cost of Kshs.1,400,000. However, ownership documents for the land were not provided for audit review. In addition, the asset register lacked key details such as the date of acquisition, asset codes, and serial numbers, contrary to Section 72 of the Public Finance Management Act, 2012. Further, physical inspection of assets conducted on 26 February, 2026 revealed that several items, including office equipment, furniture, and printers, were not tagged.

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

6. Lack of Automation of Key Processes

Audit review noted that the School majorly relies on a manual system for processing and records keeping in recording of school income and payments and is thus exposed to risks associated with manual records keeping such as errors in processing, inaccurate financial reporting, manipulation of records and lack of data integrity and confidentiality. Further, manual processing is cumbersome and lack of automation denies the school the benefits of speedy processing and retrieval of information.

In the circumstances, the existence of an effective records keeping mechanisms 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

14 April, 2026

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	26,055	
Capitation grants for operations	2	16,311	
School Fund Income- Parents' Contributions	3	543,500	
School Fund Income- Other receipts	4		
Proceeds from borrowings			
TOTAL RECEIPTS		732,866	
PAYMENTS			
Payments for Tuition	5	486	
Payments for operations	6	400,832	
Boarding and school fund payments	7	42,011	
TOTAL PAYMENTS		443,329	
SURPLUS/DEFICIT		289,537	

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

Sign: *[Signature]*

Sign: *[Signature]*

Sign: *[Signature]*

Name - Julius Lupitwa

Name *[Signature]*

Name DICKSON NYAGAH

Chair BOM

School Principal/
Secretary to BOM

Bursar/
Finance Officer

Date: 30.3.2021

Date: *[Signature]*

Date: 30-03-2021



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

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	186,412.40	
Cash Balances	9	215	
Short term Investment	10		
Total Cash and cash equivalent		<u>186,627.40</u>	
Account's receivables	11	615,550	
TOTAL FINANCIAL ASSETS		802,177.40	
FINANCIAL LIABILITIES			
Accounts Payables	12	19,875	
NET FINANCIAL ASSETS		782,302	
REPRESENTED BY			
Accumulated Fund b/fwd	13	492,765.40	
Surplus/Deficit for the year		289,537	
NET FINANCIAL POSSITION		782,302.40	


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

Name: Julius Kopeyok
 Chairman, BoM

Sign: [Signature]

Date:

Name: Mumba Fredrick
 School Principal/Secretary
 to BoM

Sign: [Signature]


Date: 30/03/2021

Name: Dickson Nyiraga
 Bursar/Finance

Sign: [Signature]

Date: 30-3-21

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VII. 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	26,055	
Capitation grants for operations	2	163,311	
Capitation grants for infrastructure	3	46,900	
School fund income- Parents contributions/ fees	4		
School fund income- other receipts			
Total receipts		236,266	
Payments			
Payments for Tuition		486	
Payments for operations		43,632	
Boarding and school fund payments		42,011	
Total payments		86,129	
Net cash flow from operating activities		150,137	
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets		357,200	
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities		(207,063)	
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		(207,063)	
Cash and cash equivalent at BEGINNING of the year		393,690	
Cash and cash equivalent at END of the year		186,627	

VIII. 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						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	26,055		26,055			100%
Chalks						
Exams and assessment						
Teachers guides						
Tuition Fund						
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments						
Repairs and maintenance	75,000		75,000			100%
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
Other accounts	88,311		88,311			100%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) FEES CHARGED ON PARENTS						
Lunch program me						
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
SMASSE						
Fee on boarding equipment and stores	120,000		120,000	46,900	73,100	60%
Total	120,000		120,000	46,900	73,100	60%
OTHER INCOME						
Rent income						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
TOTAL INCOME						
(1) EXPENDITURE FOR TUITION						

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials						
Chalks						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges						
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	20,000		20,000			100%
Repairs, maintenance & improvements						
Local transport / travelling	11,500		11,500			100%
Electricity, water and conservancy						
Medical						
Administration costs	9,806		9,806			100%
Activity Expenses						
Gratuity						
SMASSE						
Other vote heads						
(3) EXPENDITURE FOR SCHOOL FUND						

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Personnel emoluments						
Repairs, maintenance and improvements						
Local transport / travelling						
Electricity, water and conservancy						
Medical Expenses						
Administration costs						
Activity						
Gratuity						
Lunch program me	120,000		120,000	39,885	80,115	66%
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	120,000		120,000	39,885	80,115	66%

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

The comparative figures for the previous financial year have been omitted since they have not been 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	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	26,055	
Chalks		
Exams and assessment		
Teachers guides		
Bom teachers		
Administrative cost		
Total	26,055	

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	75,000.00	
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity		
Other Vote Heads (specify)*	88,311.00	
Total	163,311.00	

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Lunch program me	543,500	
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity		
Total	543,500	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
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*		
Interest income		
Administrative cost		
Total		

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials		
Chalks		
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	486	
Total	486	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	20,000	
Service gratuity		
Administration Cost	9,806	
Repairs and maintenance & improvements	2,000	
Local transport / travelling	11,500	
Electricity and water		
Medical		
Activity Expenses	200	
SMASSE		
Insurance Cost		
Bank Charges	126	
Acquisition of Assets	357,200	
TOTAL	400,832	

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,500	
Service Gratuity		
Repairs and maintenance & Improvements		
Local transport / travelling	500	
Electricity and water		
Medical Expenses		
Administration costs	126	
Lunch Programme	39,885	
Bank Charges		
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores		
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal repayment		
Loan Interest repayment		
Acquisition of Assets		
TOTAL	42,011	

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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		41,589.70	
Operations Account		132,596.70	
School Fund Account/Boarding		5,047	
Savings Account			
Parent Association Development Account			
Income generating activities Account			
Infrastructural Account		7,179	
Total		186,412.40	

9 CASH IN HAND

Description	2020-2021 Kshs	2019-2020 Kshs
Tuition Account		
Operation Account	100	
School Fund account	115	
Total	215	

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	615,550	
Other non-fees receivables		
Salary advances		
Imprest		
Total	615,550	

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	496,600	
Fees arrears for the previous year	70,800	
Fees arrears for prior periods (over two years)	48,150	
Total	615,550	

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	19,875	
Prepaid fees		
Retention monies		
Total	19,875	

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year		
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)	19,175	
Prepaid fees (2020)	700	
Total	19,875	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	393,690.40	
Cash balances		
Short Term Investments		
Receivables	118,950	
Payables	19,875	
Total	492,765.40	

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

15 Biological assets

Description	Numbers	2020-2021 Kshs	2019-2020 Kshs
Cattle			
Goats			
Trees			
Coffee or tea plantation			
Poultry			
Total			

16 Borrowings

Description	2020-2021 KShs	2019-2020 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	166,000	
Stock/ inventory purchased during the year	376,000	
Stock/ inventory issued during the year	292,900	
Balance at end of the year	297,900	

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 2021	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.	-					
2.	-					
3.	-					
Sub-Total						
Supply of goods						
4. Bejos Enterprise	-			19,175	19,175	
5.	-					
6.	-					
Sub-Total						
Supply of services						
7.	-					
8.	-					
9.	-					
Sub-Total				19,175	19,175	
Grand Total				19,175	19,175	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1		Aremiet	1,400,000			1,400,000
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings	Feb 2021	Aremiet	16,000			16,000
ICT Equipment, and Other ICT Assets						
Tools and apparatus	15/06/2021	Aremiet	37,222			37,222
Textbooks		Aremiet	29,500			29,500
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total			1,482,722			1,482,722