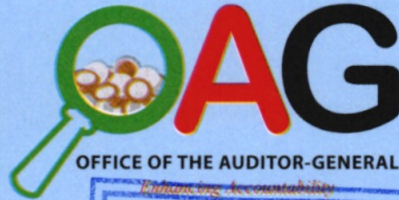


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

# REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 30 JUN 2026

DAY.

Tuesday

OF

TABLED

BY:

CLERK-AT  
THE-TABLE:

The Deputy  
Magistrate  
Retired Judge

THE AUDITOR-GENERAL

ON

PARLIAMENT  
OF KENYA  
LIBRARY

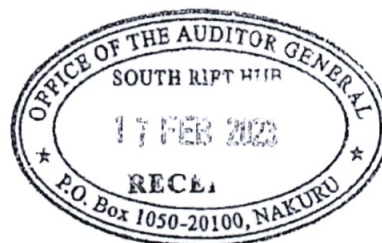
LANGA LANGA SECONDARY SCHOOL

FOR THE SIX (6) MONTHS' PERIOD ENDED  
30 JUNE, 2021

NAKURU COUNTY



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



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**LANGALANGA SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

---

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

LANGA LANGA SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021

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# LANGALANGA SECONDARY SCHOOL

## Reports and Financial Statements

For the year ended 30<sup>th</sup> June 2021

### I. KEY SCHOOL INFORMATION AND MANAGEMENT

#### LANGA LANGA 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 Nakuru County, Nakuru East Sub-County

The school was registered in 30/1/2018 under registration number 32S30000162 and is currently categorized as SUB COUNTY (National, Extra County, county and Sub County) public school established, owned or operated by the Government.

The school is a day school and had 1268 number of students as at 30<sup>th</sup> June 2021.

It has Six Streams form One -Two and four Streams for form three and four forty four teachers of which two 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    | Hon.CS.LAWRENCE K. MACHARIA                                      | Chairman             | May 2019            |
| 2    | RUFINA KANINI MUTEGI                                             | Secretary- Principal |                     |
| 3    | JACKLINE KERUBO MORIASI                                          | Member               | May 2019            |
| 4    | JAPHETH MOROGO                                                   | Member               | May 2019            |
| 5    | REV. GODFREY MWAMUNGA                                            | Member               | May 2019            |
| 6    | GODFREY ONDIEKI NYANCHAMA                                        | Member – Rep CEB     | May 2019            |
| 7    | MR. STEPHEN NDONGA                                               | Member Rep Teachers  | May 2019            |
| 8    | PROF. ABDI GULIYE<br>JACKLINE MORIASI<br>JAPHETH MOROGO          | 3 Members - Sponsor  | May 2019            |
| 9    | MARY MWEMA<br>HENRY AMBEVA<br>MARGARET GITHAIGA<br>GLADYS WAMUYU | Member - Community   | May 2019            |
| 10   | LILY NYANCHAMA                                                   | Member Special Needs | May 2019            |
| 11   | LUCY WANJIKU                                                     | Rep Students         | May 2019            |



**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**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 pupil's 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.

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**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(c) Committees of the Board**

| Ref: | Name of Committee                                   | Names of Members                                                                                                                                                 | Designation                                                                               | Number of meetings attended during the year |
|------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------|
| 1    | Executive Committee                                 | 1. Lawrence K. Macharia<br>2. Rufina Mutegi<br>3. Pastor Branham Ogendi<br>4. Jackline Moriasi<br>5. Japheth Morogo                                              | Chairman<br>Secretary<br>P.A. Rep.<br>Vice Chair Member                                   | 3 OUT OF 3                                  |
| 2    | Audit Committee                                     | 1. Lawrence K. Macharia<br>2. Pastor Branham Ogendi<br>3. Jackline Moriasi<br>4. Japheth Morogo<br>5. Rev. Godfrey Mwamunga                                      | Chairman B.O.M<br>P.A.chair<br>Member<br>Member<br>Member                                 | 1 out of 1                                  |
| 3    | Finance, procurement and general purposes Committee | 1. Lawrence K. Macharia<br>2. Pastor Branham Ogendi<br>3. Jackline Moriasi<br>4. Japheth Morogo<br>5. Rev. Godfrey Mwamunga                                      | Chairman B.O.M<br>P.A.chair<br>Member<br>Member<br>Member                                 | 3 OUT OF 3                                  |
| 4    | Academic Committee                                  | 1. Jackline Moriasi<br>2. Rufina Mutegi<br>3. Stephen Ndonga<br>4. Japheth Morogo<br>5. Rev. Godfrey Mwamunga<br>6. Dr. Grace Ndeke<br>7. Prof. Abdi. Guliye     | Chairperson<br>Secretary<br>Teacher Rep.<br>Member<br>Member<br>Member<br>Member          | 3 OUT OF 3                                  |
| 5    | Development Committee                               | 1. Japheth Morogo<br>2. Stephen Ndonga<br>3. Rev. Branham Ogendi<br>4. Rufina Mutegi<br>5. Jackline Moriasi                                                      | Chairperson<br>Secretary<br>P.A. Chair<br>Principal<br>Vice chair                         | ANYTIME                                     |
| 6    | Discipline and welfare Committee                    | 1. Rufina Mutegi<br>2. Pastor Henry Ambeva<br>3. Mr. Stephen Ndonga<br>4. Mrs. Margaret Githaiga<br>5. Rev. Godfrey Mwamunga<br>6. Lucy Wanjiku<br>7. Mary Mwema | Secretary B.O.M<br>Member<br>Teacher Rep.<br>Member<br>Member<br>School captain<br>Member | ANYTIME                                     |
| 7    | Adhoc Committee (if any during the year)            |                                                                                                                                                                  |                                                                                           | ANYTIME                                     |



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**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2021 the schoolday-to-day management was under the following persons:

| Ref: | Designation      | Name                  | TSC Number   |
|------|------------------|-----------------------|--------------|
| 1    | Principal        | RUFINA KANINI MUTEGI  | 364112       |
| 2    | Deputy Principal | EUNICE WANJIKU NJORGE | 312841       |
| 3    | School Bursar    | PATRICK WAITITU       | BOM EMPLOYEE |
|      |                  |                       |              |

**(e) Schools contacts**

Post Office Box: 3253-20100  
Telephone: 0707672883  
E-mail: langalangasecondary@yahoo.com  
Website: none  
Facebook:  
Twitter:

**(f) School Bankers**

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

1. Name of Bank: ABSA BANK  
Branch: NAKURU EAST  
Account Number: 0271136692
2. Name of Bank: FAMILY BANK  
Branch: KENYATTA AVE  
Account Number: 018000017935
3. Name of Bank: ABSA BANK  
Branch: NAKURU EAST  
Account Number: 0271117132
4. Name of Bank: FAMILY BANK (SIC)  
Branch: NAKURU  
Account: 018000077445

**(g) Independent Auditors**

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

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**For the year ended 30<sup>th</sup> June 2021**

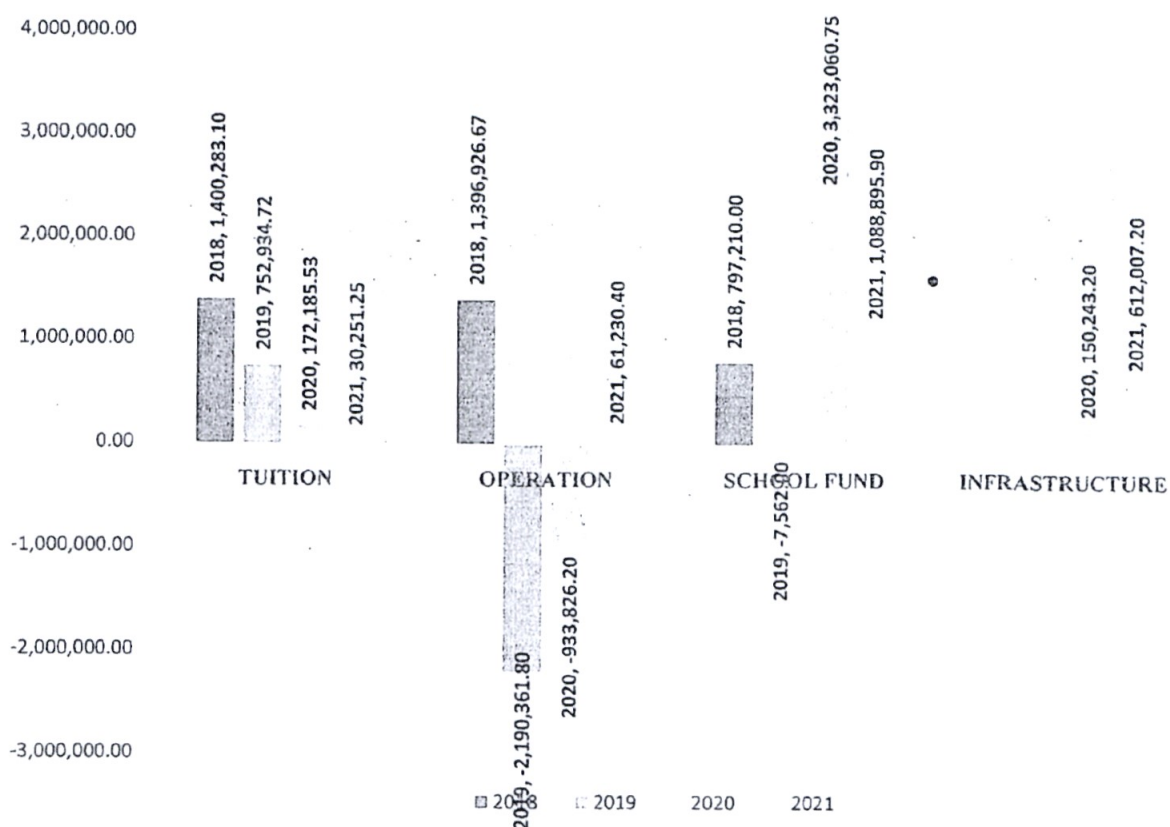
**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

a) **Financial performance:**

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

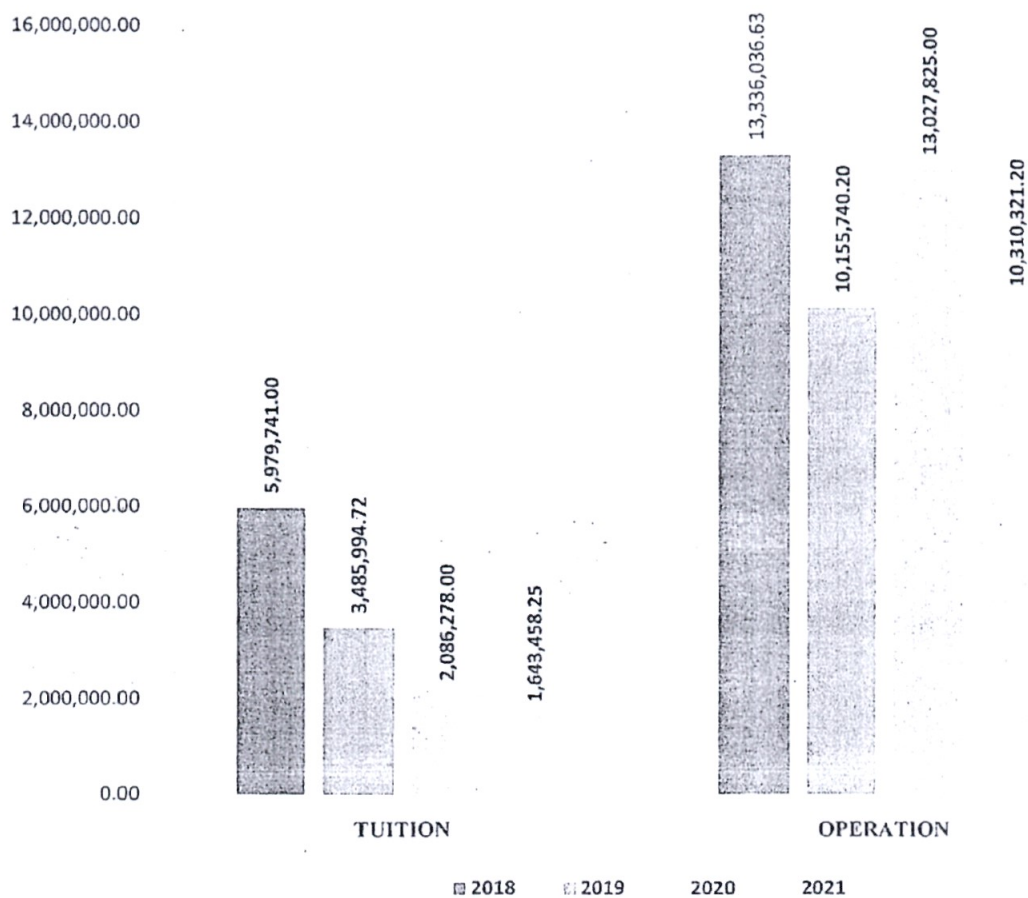
| <b>SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS</b> |                     |                     |                       |                     |
|-------------------------------------------------------------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| <b>ACCOUNTS</b>                                                                           | <b>2021</b>         | <b>2020</b>         | <b>2019</b>           | <b>2018</b>         |
|                                                                                           | <b>Kshs</b>         | <b>Kshs</b>         | <b>Kshs</b>           | <b>Kshs</b>         |
| Tuition Account                                                                           | 30,251.25           | 172,185.53          | 752,934.72            | 1,400,283.10        |
| Operation Account                                                                         | 61,230.40           | (933,826.20)        | (2,190,361.80)        | 1,396,926.67        |
| School fund Account                                                                       | 1,088,895.90        | 3,323,060.75        | (7,562.00)            | 797,210.00          |
| Infrastructure Account                                                                    | 612,007.20          | 150,243.20          | -                     | -                   |
| <b>TOTAL</b>                                                                              | <b>1,792,384.75</b> | <b>2,711,663.28</b> | <b>(1,444,989.08)</b> | <b>3,594,419.77</b> |



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**CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS**

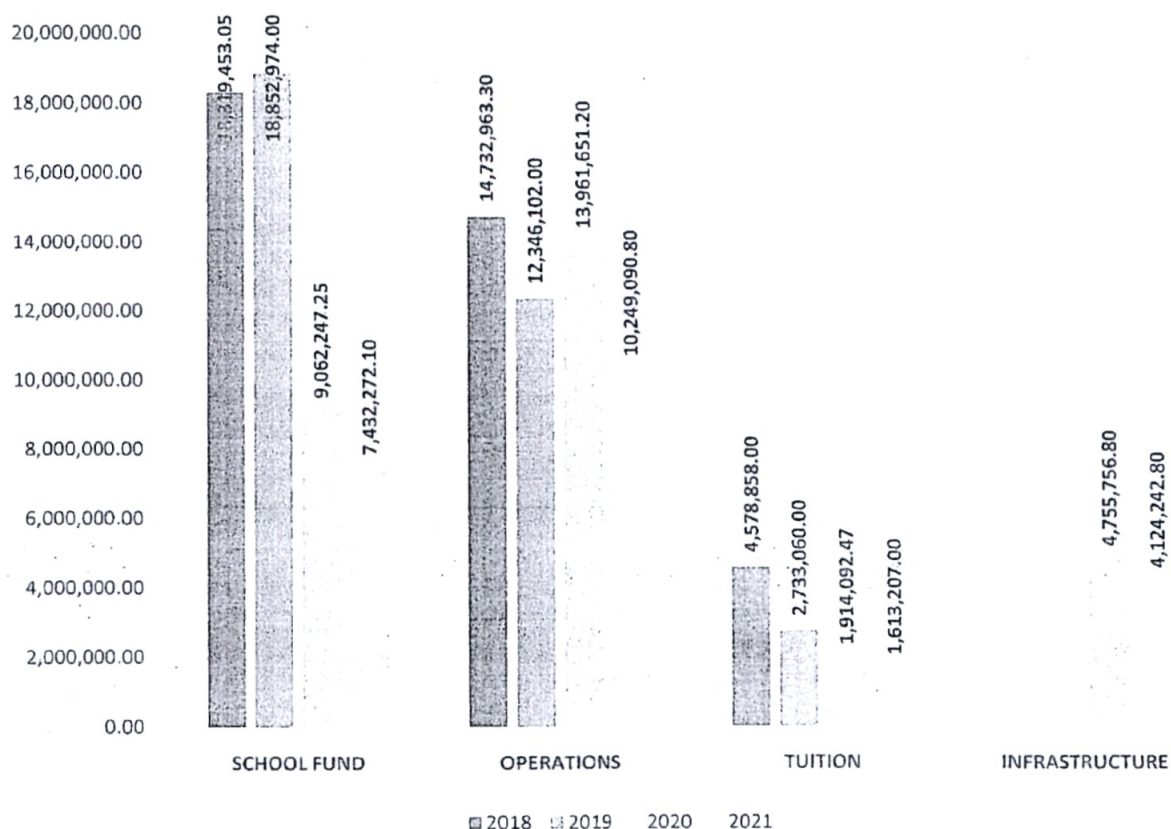
| ACCOUNTS                        | 2021                 | 2020                 | 2019                 | 2018                 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                 | KSHS                 | KSHS                 | KSHS                 | KSHS                 |
| Tuition Account                 | 1,643,458.25         | 2,086,278.00         | 3,485,994.72         | 5,979,741.00         |
| Operation Account               | 10,310,321.20        | 13,027,825.00        | 10,155,740.20        | 13,336,036.63        |
| <b>Total</b>                    | <b>11,953,779.45</b> | <b>15,114,103.00</b> | <b>13,641,734.92</b> | <b>19,315,777.63</b> |
| No of Students                  |                      |                      | -                    | -                    |
| Ratio of Capitation per student |                      |                      | -                    | -                    |



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

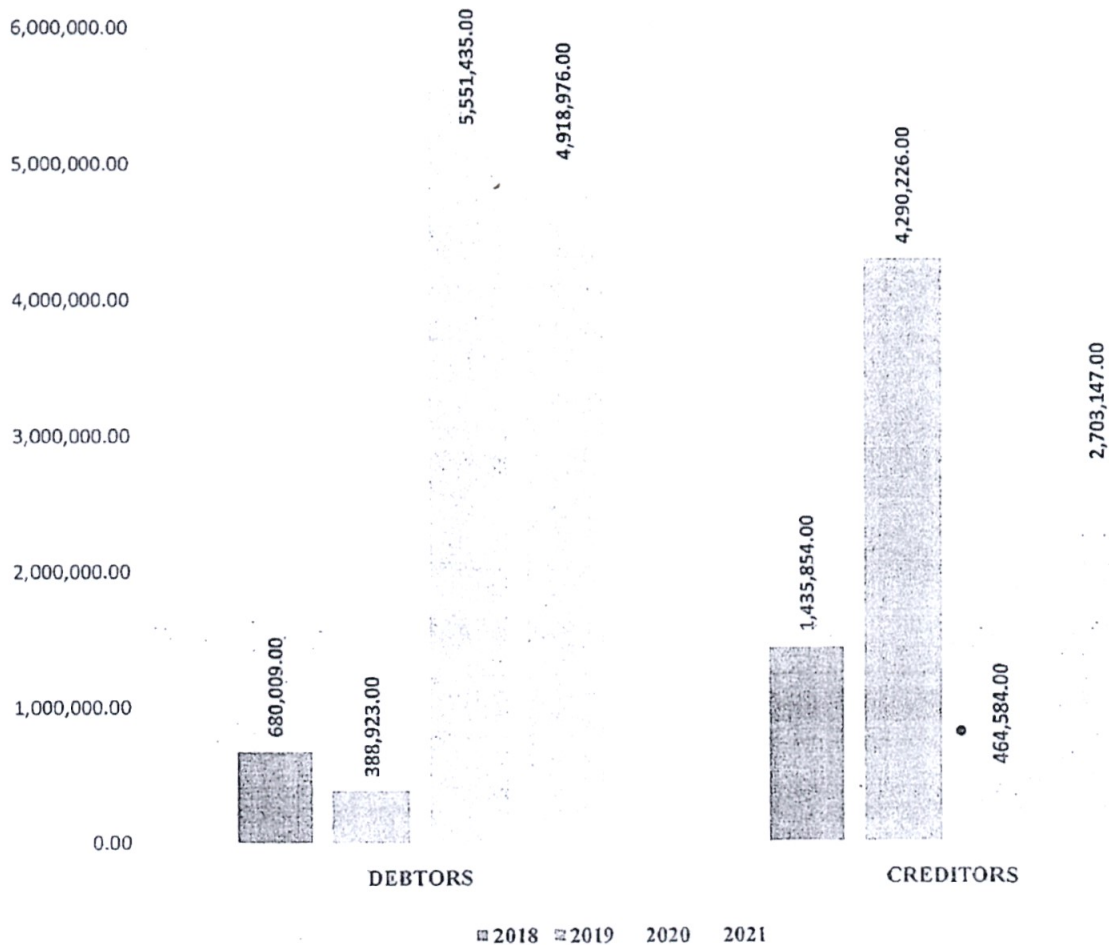
| ACCOUNTS               | 2021                 | 2020                 | 2019                 | 2018                 |
|------------------------|----------------------|----------------------|----------------------|----------------------|
|                        | Kshs                 | Kshs                 | Kshs                 | Kshs                 |
| School Fund Account    | 7,432,272.10         | 9,062,247.25         | 18,852,974.00        | 18,319,453.05        |
| Operations Account     | 10,249,090.80        | 13,961,651.20        | 12,346,102.00        | 14,732,963.30        |
| Tuition Account        | 1,613,207.00         | 1,914,092.47         | 2,733,060.00         | 4,578,858.00         |
| Infrastructure Account | 4,124,242.80         | 4,755,756.80         | -                    | -                    |
| <b>Total</b>           | <b>23,418,812.70</b> | <b>29,693,747.72</b> | <b>21,586,034.00</b> | <b>37,631,274.35</b> |





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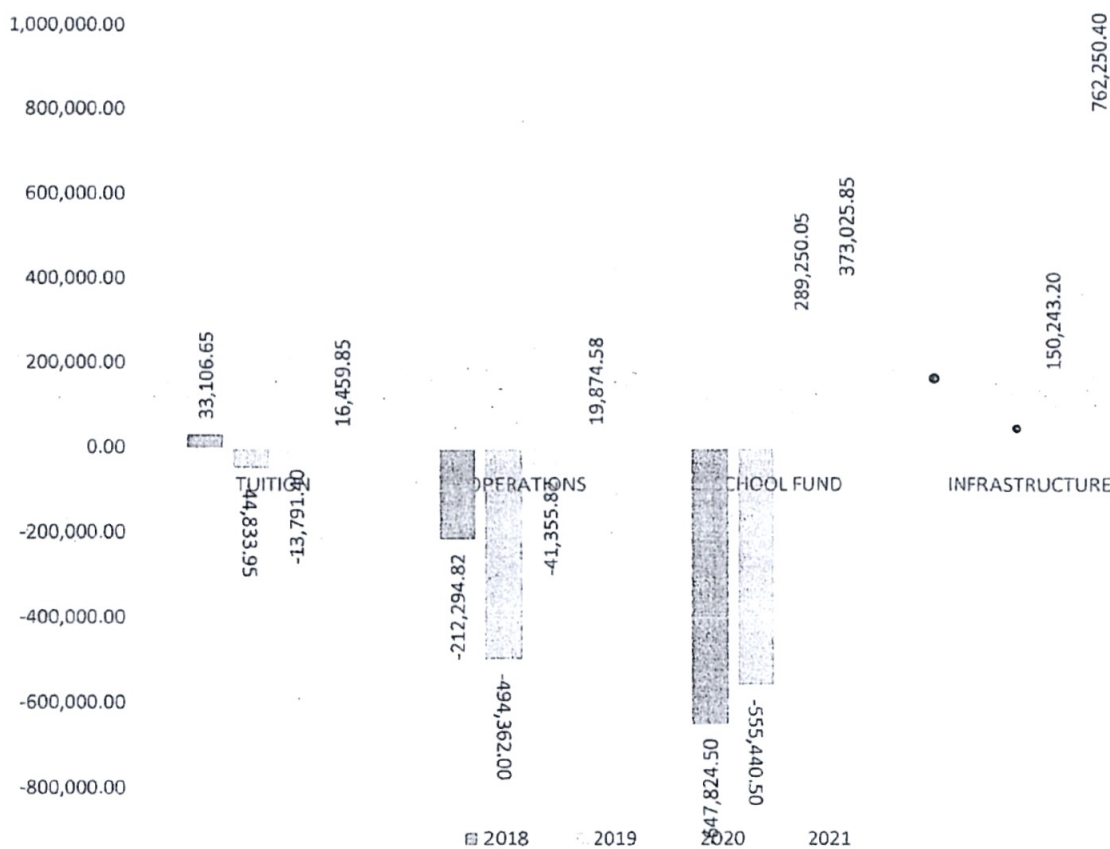
| MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL |              |              |              |              |
|-------------------------------------------------|--------------|--------------|--------------|--------------|
| ACCOUNTS                                        | 2021         | 2020         | 2019         | 2018         |
| School Fund Account                             | KSHS         | KSHS         | KSHS         | KSHS         |
| Debtors                                         | 4,918,976.00 | 5,551,435.00 | 388,923.00   | 680,009.00   |
| Creditors                                       | 2,703,147.00 | 464,584.00   | 4,290,226.00 | 1,435,854.00 |



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**MOVEMENT OF CASH AND BANK BALANCES**

| ACCOUNTS               | 2021                | 2020                | 2019                  | 2018                |
|------------------------|---------------------|---------------------|-----------------------|---------------------|
|                        | KSHS                | KSHS                | KSHS                  | KSHS                |
| Tuition Account        | 16,459.85           | (13,791.40)         | (44,833.95)           | 33,106.65           |
| Operations Account     | 19,874.58           | (41,355.82)         | (494,362.00)          | (212,294.82)        |
| School Fund Account    | 373,025.85          | (289,250.05)        | (555,440.50)          | (647,824.50)        |
| Infrastructure Account | 762,250.40          | 150,243.20          | -                     | -                   |
| <b>Total</b>           | <b>1,171,610.68</b> | <b>(194,154.07)</b> | <b>(1,094,636.45)</b> | <b>(827,012.67)</b> |



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**(b) Teacher Student ratio:**

*Include the teacher to student ratio: students are 1394 and teachers 44 ratio is 1:32  
, number of teachers recruited and posted to the school within the year are seven*

| No. | Name of teacher        | T.S.C. NO |
|-----|------------------------|-----------|
| 1   | Karanja Edward Kirega  | 846478    |
| 2   | Omumalia Perez Amakobe | 856671    |
| 3   | Osumba John Ouma       | 697460    |
| 4   | Wafula Godfrey Baraza  | 670023    |
| 5   | Odongo Charles Ochieng | 603991    |
| 6   | James Kimani Warui     | 402780    |
| 7   | Paul Wambiri Kabuthia  | 788434    |

*number of teachers that were transferred are four*

| No. | Name of teacher      | T.S.C. NO |
|-----|----------------------|-----------|
| 1   | Annette Akoolo       | 536290    |
| 2   | Jane Mwihaki Mbirata | 363728    |
| 3   | Mwangi Janet Wangari | 287446    |
| 4   | Lewtine Ouko Omondi  | 359421    |

*retired during the period NONE*

*also include how many teachers the school has for each subject in order to indicate  
shortage/ allocation of resources.*

| Subject      | No. of teachers | Shortfall |
|--------------|-----------------|-----------|
| Biology      | 6               | 2         |
| Chemistry    | 8               | 2         |
| Agriculture  | 3               | 1         |
| Physics      | 7               | 1         |
| Eng./lit     | 9               | 1         |
| CRE          | 8               | 1         |
| History      | 5               | 1         |
| Computer     | 0               | 1         |
| <b>TOTAL</b> |                 | <b>7</b>  |



**b) Mean score in the 2020 KCSE and below:**

*Give performance of the school for each over the last three years.*

| Year | No of candidates | Mean score | C+ and above | University Entry % |
|------|------------------|------------|--------------|--------------------|
| 2020 | 275              | 7.480      | 194          | 70                 |
| 2019 | 222              | 7.549      | 160          | 72                 |
| 2018 | 231              | 7.095      | 141          | 60                 |

*Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.*

**c) Number of Candidates in the 2018-2020 KCSE:**

| YEAR | NO OF STUDENTS |
|------|----------------|
| 2018 | 231            |
| 2019 | 222            |
| 2020 | 275            |

*Tabulate the number of candidates sitting for KCSE over the last three years.*

**d) Capacity of the school:**

*Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.*

(i) No of students = **1394**

(ii) Laboratory: **2** Shortage **2**

(iii) Toilets

Boys: **30** Girls **20** not sufficient

(iv) Water – tap water

(v) Electricity –**not sufficient**

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

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

*On-going project - classroom – funded by the Ministry of Education.*

Sign.....



LANGALANGA SECONDARY SCHOOL  
P.O Box 3253 NAIROBI  
Kenya

*School Principal*

**LANGA LANGA SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

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

Name: LAWRENCE KARANJA MACHARIA  
Designation: Chairman, School Board of Management  
Sign: .....  
Date: 23/02/2022

Name: RUFINA MUTEGI  
Designation: School Principal & Secretary to Board of Management  
Sign: .....  
Date: 23/02/2022

**PRINCIPAL**  
**LANGALANGA SECONDARY SCHOOL**  
**P.O Box 2253 N. 1000.**

Name: PATRICK WAITITU  
Designation: Bursar/ Finance Officer  
Sign: .....  
Date: 23/02/2022



**LANGA LANGA SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

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**REPORT OF THE INDEPENDENT AUDITOR ON THE ANNUAL FINANCIAL  
STATEMENTS OF (specify school name) SCHOOL OF THE YEAR ENDING 30<sup>TH</sup> JUNE  
2021**

*To be attached*

**LANGA LANGA SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021

**I. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

| DESCRIPTION OF VOTE HEAD                   | Note | 2020-2021            | 2019-2020            |
|--------------------------------------------|------|----------------------|----------------------|
|                                            |      | 6 Months             | 12 Months            |
|                                            |      | Kshs                 | Kshs                 |
| <b>RECEIPTS</b>                            |      |                      |                      |
| Capitation grants for tuition              | 1    | 1,643,458.25         | 2,086,278.00         |
| Capitation grants for operations           | 2    | 10,310,321.20        | 13,027,825.00        |
| School Fund Income- Parents' Contributions | 3    | 8,521,168.00         | 12,385,308.00        |
| Infrastructure                             | 4    | 4,736,250.00         | 4,906,000.00         |
| <b>TOTAL RECEIPTS</b>                      |      | <b>25,211,197.45</b> | <b>32,405,411.00</b> |
| <b>PAYMENTS</b>                            |      |                      |                      |
| Payments for Tuition                       | 5    | 1,613,207.00         | 1,914,092.47         |
| Payments for Operations                    | 6    | 10,249,090.80        | 13,961,651.20        |
| Boarding and school fund payments          | 7    | 7,432,272.10         | 9,062,247.25         |
| Payments for Infrastructure                | 8    | 4,124,242.80         | 4,755,756.80         |
| <b>TOTAL PAYMENTS</b>                      |      | <b>23,418,812.70</b> | <b>29,693,747.72</b> |
| <b>SURPLUS/DEFICIT</b>                     |      | <b>1,792,384.75</b>  | <b>2,711,663.28</b>  |

The school financial statements were approved on 30<sup>th</sup> September 2021 and signed by:

Sign:.....

Sign:.....

Sign:.....

Name **LAWRENCE K. MACHARIA** Name **RUFINA K. MUTEGI** Name **PATRICK WAITITU**  
Chair BOM School Principal/ Bursar/  
Secretary to BOM Finance Officer

Date 23<sup>TH</sup> Feb 2022

Date 23<sup>TH</sup> Feb 2022

Date 23<sup>TH</sup> Feb 2022



# REPUBLIC OF KENYA

Tel: +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 LANGA LANGA SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – NAKURU COUNTY**

### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Langa Langa Secondary School set out on pages 17 to 31, which comprise of the statement of financial assets and



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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Langa Langa 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 Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1.0 Inaccuracy of Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,171,611 as disclosed in Note 9 and 10 to the financial statements. However, the following discrepancies were noted:-

#### **1.1 Operations Account**

Note 9 reflects Kshs.19,875 in respect of operations bank account balance. However, the cashbook reflects a balance of negative Kshs.418,370 resulting in an unexplained and unreconciled variance of negative Kshs.438,245. Further, the bank reconciliation statement as at 30 June, 2021 reflects the balance as per cash book of negative Kshs.418,370 whereas the cashbook bank balance reflects a Nil amount, resulting in an unexplained and unreconciled variance of Kshs.418,370.

In addition, the cash certificate indicates a cash in hand balance of Kshs.3,066 which was not disclosed in the financial statements. This resulted in an unexplained and unreconciled variance of Kshs.3,066.

#### **1.2 Tuition Account**

Note 9 reflects Kshs.16,460 in respect of tuition bank account balance. However, the bank reconciliation statements reflects a cash book balance of Kshs.17,409 resulting in an unexplained and unreconciled variance of Kshs.949.

#### **1.3 Infrastructure Account**

Note 9 reflects Kshs.762,250 in respect of infrastructure bank account balance. However, no cashbook and bank reconciliation statements were provided for audit review, resulting in unsupported account balance of Kshs.762,250.



## 1.4 School Fund Account

Note 9 and 10 reflects Kshs.368,186 and Kshs.4,840 in respect of school fund bank and cash balance respectively. However, the cashbook reflects a Nil balance resulting in an unexplained variance of Kshs.368,186. Further, no cash survey report or cash in hand certificate was provided in support of the reported cash in hand balance of Kshs.4,840.

Review of the bank reconciliation statement as at 30 June, 2021 reflects a cash book balance of Negative Kshs.105,304 whereas the cashbook reflects a Nil balance resulting to an unexplained and unreconciled variance of Kshs.105,304.

In the circumstances the accuracy and completeness of cash and cash equivalent balance of Kshs.1,171,611 could not be confirmed.

## 2.0 Inaccuracies in the Financial Statements

### 2.1 Inaccuracy in the Statement of Receipts and Payments

The statement of receipts and payments reflects total receipts and total payments amounts of Kshs.25,211,197 and Kshs.23,418,813 respectively. However, the following variances were noted;

|                                             | Note | Ledger<br>Balance<br>(Kshs) | Financial<br>Statement<br>Amounts<br>(Kshs) | Variance<br>(Kshs) |
|---------------------------------------------|------|-----------------------------|---------------------------------------------|--------------------|
| Capitation Grant for Tuition                | 1    | 4,078,337                   | 1,643,458                                   | 2,434,879          |
| Capitation Grant for Operations             | 2    | 25,231,399                  | 10,310,321                                  | 14,921,078         |
| Capitation Grant for Infrastructure         | 4    | 0                           | 4,736,250                                   | (4,736,250)        |
| School Fund Income- Parent Contribution     | 3    | 6,540,189                   | 8,521,168                                   | (1,980,979)        |
| Payment for Tuition                         | 5    | 3,876,432                   | 1,613,206                                   | 2,263,226          |
| Payment for Operations                      | 6    | 30,715,920                  | 10,249,090                                  | 20,466,830         |
| School fund – parents contribution payments | 7    | 25,945,832                  | 7,432,272                                   | 18,513,560         |
| Payments for Infrastructure                 | 8    | 5,954,858                   | 4,124,243                                   | 1,830,615          |

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

## 3. Inaccuracy in Accounts Payable

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.2,703,147 as disclosed in Note 12 to the financial statements. However,

the ledger reflects Kshs.1,062,870 resulting in an unexplained and unreconciled variance of Kshs.1,640,277.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.2,703,147 could not be confirmed.

#### **4. Inaccuracy in Accounts Receivable**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.4,918,976 as disclosed in Note 11 to the financial statements. However, the ledger reflects Kshs.1,625,213 resulting in an unexplained and unreconciled variance of Kshs.3,293,763.

In the circumstances, the accuracy and completeness of the Kshs.4,918,976 in respect of accounts payable could not be confirmed.

#### **5. Inaccuracy in Fund Balance Brought Forward**

The statement of financial assets and financial liabilities reflects accumulated fund brought forward balance of Kshs.4,892,697. However, Note 14 to the financial statements reflects a balance of Kshs.5,783,901, resulting in unexplained variance of Kshs.891,204. In addition, Note 13 to the financial statements reflects accumulated fund balance brought forward of Kshs.4,920,279 which was not reconciled to the balance in the statement of financial assets and financial liabilities of Kshs.4,892,697 resulting in an unreconciled variance of Kshs.27,582.

In the circumstances, the accuracy and completeness of the accumulated fund brought forward balance of Kshs.4,892,697 could not be confirmed.

#### **6. Unsupported Payments**

The statement of receipts and payments reflects payments for tuition, operations and boarding and school fund amounts of Kshs.1,613,207, Kshs.10,249,091, and Kshs.7,432,272 as disclosed in Notes 5, 6 and 7 respectively. However, review of payment vouchers revealed that payments were made without supporting documentation, including requisitions, local purchase orders, invoices, delivery notes, inspection reports, and goods received notes.

In the circumstances, the accuracy, completeness, and validity of the payments amounting to Kshs.23,418,813 could not be confirmed.

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



## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.48,911,952 and Kshs.25,211,197 respectively, resulting in an under-funding of Kshs.23,700,755 or 48% of the budget.

The under-funding 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 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**

The Management is responsible for the Other Information set out on pages 2 to 15 which comprise of Key School Information and Management, Summary Report of Performance of the School, and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

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

- i. The table of contents did not include chapter references. Further the summary report of performance of school, the statement of school management responsibility, the report of the independent auditors, and the statement of budgeted versus actual amounts did not have chapter references.
- ii. Included in the table of contents and on page 20 of the financial statements is "Consolidated Trial Balance for the Year Ended 30 June 2021"; however, the approved financial reporting template for the year 2021 did not provide for this item.
- iii. The entire set of financial statements is not paginated.
- iv. The Summary Report of Performance of the School subsections were not numbered.. Further, "development projects carried out by the School" as presented on page 14 is not in a tabular format indicating the project status, initial



cost, amount spent, and expected completion date as required by PSASB financial reporting template.

- v. The statement of receipts and payments and the statement of financial assets and financial liabilities are assigned similar chapter reference, Roman numeral I.
- vi. Note 14 to the financial statements reflect fund balance brought forward of Kshs.5,783,901, however there was no corresponding Note in the statement of financial assets and financial liabilities.
- vii. The financial statements reporting period is indicated as "Annual Report and Financial Statements for the Year Ended 30 June 2021," contrary to paragraphs 5.3 of the Guidelines on the Implementation of International Public Sector Accounting Standards (IPSAS) for Public Secondary Schools in Kenya, dated 20 August 2021, which recommended that the reporting period presented be for eighteen (18) months period or six (6) months period.
- viii. The stock/inventory and their values were omitted from the Other Important Disclosures to the financial statements.
- ix. Note 15 to the financial statements reflects "Accrual to Cash Adjustments" amounting to negative Kshs. 3,297,642, which has been offset against the surplus and accumulated fund balances contrary to Paragraph 1.3.24 of the IPSAS Cash Basis Standard, which only permits offsetting of cash receipts and cash payments and reporting on a net basis in the Statement of Receipts and Payments under specified circumstances.

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

## **2. Omissions in the Summary of Fixed Assets Register in the Financial Statements**

Annex 2 to the financial statements presents a summary of the fixed asset register; however, key columns relating to date of purchase, additions during the year, and disposals during the year were not included, contrary to the financial reporting template prescribed by PSASB.

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

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

During the year under review, the School Management submitted the financial statement to the Office of the Auditor General on 17 February, 2023 contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. These financial statements have been audited as a result of a proactive initiative by the Auditor-General.



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

#### **4. Irregularities in Procurement Processes**

##### **4.1 Unstructured Procurement Processes**

The statement of receipts and payments reflects total payments amounting to Kshs.23,418,813 during the year under review. However, Management did not provide for audit verification the requisite procurement documents, including the tender register; tender opening committee appointment letters and minutes; tender evaluation committee appointment letters and minutes; preliminary tender evaluation checklists; individual technical and financial evaluation score sheets; acceptance letters of award by the successful bidders; signed contracts or local purchase orders; and professional opinions, thereby limiting the ability to verify compliance with procurement procedures.

In the circumstances, Management was in breach of the law

##### **4.2 Lack of a Functional Procurement Unit**

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

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

#### **5. Inefficiencies in Human Resource Management**

The statement of receipts and payments reflects Kshs.10,249,091 in respect of operations payment as disclosed in Note 6 to the financial statements. Included in this amount is Kshs.2,413,222 in respect of personnel emoluments paid to the School's Board of Management teachers and non-teaching staff. However, review of employee records indicated that eight (8) of the employees contracted by the Board of Management did not have a valid contract in their employee files contrary to Section B.10 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that an officer appointed to a position in the public service shall be issued with a letter of appointment specifying the terms and conditions of service. Further, Management did not provide for audit the approved staff establishment and terms and conditions of service to confirm the recruitment needs. This was contrary to section 13 of the Fourth Schedule of the Basic Education Act, 2013, which requires the Board of Management to employ its staff, upon such terms and conditions of service as the County Education Board may determine.

In the circumstances, Management was in breach of the law and the regularity of the Board of Management employee's recruitment could not be confirmed.



## **6. 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.7,432,272 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.799,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.799,000 could not be confirmed.

## **7. Lack of an Approved Procurement Plan**

The statement of receipts and payments reflects total payments of Kshs.23,418,813. However, review of the procurement processes of the School revealed that there was no approved procurement plan that outlines the procurement procedures for the school such as; -

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

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

## **8. Ineffective Governance by the Board of Management**

During the year under review, the board of management held two meetings in the financial year. This is contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 which States that a Board of Management shall meet at least once every four months.

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

## **9. Weaknesses in Management of Textbooks**

Physical verification of textbooks supplies for the period revealed under/over-supply set books, with excess quantities issued to certain classes as detailed below;

| Date       | Set book         | Class | No. per class enrolment | Distributed books | Varian |
|------------|------------------|-------|-------------------------|-------------------|--------|
| 01/01/2021 | Memories We Lost | F3    | 267                     | 376               | 109    |
|            | “ “ “            | F4    | 275                     | 274               | -1     |
| 22/01/2021 | A Doll's House   | F3    | 267                     | 376               | 109    |
|            | “ “ “            | F4    | 275                     | 274               | -1     |
| 22/01/2021 | Chozi La Heri    | F3    | 267                     | 376               | 109    |
|            | “ “ “            | F4    | 275                     | 274               | -1     |

Further review established that the School lacks a functional library and instead stores textbooks in an inadequately equipped and congested store, exposing them to risk of damage. In addition, textbook management relies on manual records without a comprehensive and updated issuance register, periodic inspections, or reconciliations to track allocations, returns, and balances. The store is managed by a single officer, increasing the risk of errors, loss, or misappropriation. The absence of a formalized textbook management system weakens internal controls, reduces accountability, and impairs effective planning and utilization of school resources.

In the circumstances Management was in breach of the law.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### Basis for Conclusion

#### 1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School did not constitute an internal audit unit and an audit committee as required by section 73 subsection (1) (a), and subsection 5 of the



Public Finance Management Act 2012 which state that “every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board” and that “every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations”.

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

## **2. Lack of Risk Management Policy**

The School does not have a formally documented and approved Risk Management Policy, hence there is no structured framework in place to identify, assess, monitor, and mitigate risks across operational, financial, strategic, and compliance areas.

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

## **3. Weaknesses in Information Technology Internal Controls**

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

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

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

## **4. Weaknesses in Management of Assets**

Included in the summary of fixed assets register, is land measuring 6.0 hectares reported to be owned by the School. However, a review of Certificate of Lease Title No. NAKURU/MUNICIPALITY BLOCK 2/488 dated 1 April, 1985 revealed that the land is registered in the name of Afraha Education Development Limited. Further, physical verification carried out in March, 2026 confirmed that the land currently hosts two institutions, namely Afraha High School and Langa Langa Secondary School. None of the two Schools has a document of ownership of the land.



In addition, review of the School records revealed that a notification of sale of the land was served on 8 July, 2024, in exercising statutory power of sale arising from default on an outstanding loan of Kshs.11,685,995 advanced to Afraha Education Development Limited on 8 August, 1989, by Kenya Commercial Bank with the land used as collateral. In a Court of Appeal decision in Nakuru HCCC No. 260 of 2004, between the Attorney General and Kenya Commercial Bank and three others, the court held that the Attorney General had no locus standi to institute or be heard in the matter and set aside the temporary injunction earlier issued, thereby paving the way for the lender to exercise its statutory power of sale over the property. As a result, Langa Langa Secondary School had not obtained title documents evidencing ownership of the land in the name of the School.

In the circumstances, the School does not have legal title to land on which it operates and the continuance of the School in future could not be confirmed.

## **5. Long Outstanding Accounts Receivable Balance**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.4,918,976 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.4,302,361 which had been outstanding for more than one (1) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the recoverability of the accounts receivable 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 Board of Management**

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

In preparing the financial statements, Management is responsible for assessing the Schools ability to sustain its services, disclosing as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.



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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 May, 2026



**LANGA LANGA SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

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

|                                       | Note | 2021-2021           | 2020-2020           |
|---------------------------------------|------|---------------------|---------------------|
|                                       |      | Kshs                | Kshs                |
| <b>FINANCIAL ASSETS</b>               |      |                     |                     |
| <b>Cash and Cash Equivalents</b>      |      |                     |                     |
| Bank Balances                         | 9    | 1,166,770.68        | (203,322.07)        |
| Cash Balances                         | 10   | 4,840.00            | 9,168.00            |
| <b>Total Cash and cash equivalent</b> |      | <b>1,171,610.68</b> | <b>(194,154.07)</b> |
| <b>Account's receivables</b>          | 11   | <b>4,918,976.00</b> | <b>5,551,435.00</b> |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>6,090,586.68</b> | <b>5,357,280.93</b> |
| <b>FINANCIAL LIABILITIES</b>          |      |                     |                     |
| <b>Accounts Payables</b>              | 12   | <b>2,703,147.00</b> | <b>464,584.00</b>   |
| <b>NET FINANCIAL ASSETS</b>           |      | <b>3,387,439.68</b> | <b>4,892,696.93</b> |
| <b>REPRESENTED BY</b>                 |      |                     |                     |
| <b>Accumulated Fund b/fwd</b>         | 13   | 4,892,696.93        | 2,987,010.50        |
| Surplus/Deficit for the year          |      | 1,792,384.75        | 2,711,663.28        |
| Accruals to cash adjustments          | 15   | (3,297,642.00)      | (805,976.85)        |
| <b>NET FINANCIAL POSITION</b>         |      | <b>3,387,439.68</b> | <b>4,892,696.93</b> |

The School's financial statements were approved on \_\_\_\_\_ 2022 and signed by:

Name: **LAWRENCE K. MACHARIA**  
Chairman, BoM

Sign: \_\_\_\_\_

Date: 23<sup>TH</sup> Feb 2022

Name: **RUFINA K. MUTEGI**  
School Principal/Secretary to BoM

Sign: \_\_\_\_\_

Date: 23<sup>TH</sup> Feb 2022

Name: **PATRICK WAITITU**  
Bursar/Finance

Sign: \_\_\_\_\_

Date: 23<sup>TH</sup> Feb 2022

**LANGA LANGA SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**I.STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

|                                                          | Notes | 2020-2021            | 2019-2020            |
|----------------------------------------------------------|-------|----------------------|----------------------|
|                                                          |       | Kshs                 | Kshs                 |
| <b>Receipts for operating income</b>                     |       |                      |                      |
| Capitation grants for tuition                            | 1     | 1,643,458.25         | 2,086,278.00         |
| Capitation grants for operations                         | 2     | 10,310,321.20        | 13,027,825.00        |
| School fund income- Parents contributions/ fees          | 3     | 8,521,168.00         | 12,385,308.00        |
| Infrastructure                                           | 4     | 4,736,250.00         | 4,906,000.00         |
| <b>Total receipts</b>                                    |       | <b>25,211,197.45</b> | <b>32,405,411.00</b> |
| <b>Payments</b>                                          |       |                      |                      |
| Payments for Tuition                                     | 5     | 1,613,207.00         | 1,914,092.47         |
| Payments for Operations                                  | 6     | 10,249,090.80        | 13,961,651.20        |
| Boarding and school fund payments                        | 7     | 7,432,272.10         | 9,062,247.25         |
| Payments for Infrastructure                              | 8     | 4,124,242.80         | 4,755,756.80         |
| <b>Total payments</b>                                    |       | <b>23,418,812.70</b> | <b>29,693,747.72</b> |
| <b>Net cash flow from operating activities</b>           |       | <b>1,792,384.75</b>  | <b>2,711,663.28</b>  |
| <b>Adjusted for</b>                                      |       |                      |                      |
| Increase in Receivables                                  | 11    | 632,459.00           | 3,382,145.73         |
| Increase in Payables                                     | 12    | 2,238,563.00         | (5,047,196.73)       |
| Accruals to cash adjustments                             | 15    | (3,297,642.00)       | (805,976.85)         |
| <b>Net cash flow adjustment</b>                          |       | <b>1,365,764.75</b>  | <b>240,635.43</b>    |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |       |                      |                      |
| Decrease in Investments                                  | 14    | -                    | 170,429.55           |
| Acquisition of Assets                                    |       | -                    | -                    |
| Proceeds from investments                                |       | -                    | -                    |
| Purchase of investments                                  |       | -                    | -                    |
| <b>Net cash flows from Investing Activities</b>          |       | <b>-</b>             | <b>170,429.55</b>    |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |       |                      |                      |
| Proceeds from borrowings/ loans                          |       | -                    | -                    |
| Repayment of principal borrowings                        |       | -                    | -                    |
| <b>Net cash flow from financing activities</b>           |       | <b>-</b>             | <b>-</b>             |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>         |       | <b>1,365,764.75</b>  | <b>411,064.98</b>    |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |       | <b>(194,154.07)</b>  | <b>(605,219.05)</b>  |
| <b>Cash and cash equivalent at END of the year</b>       |       | <b>1,171,610.68</b>  | <b>(194,154.07)</b>  |

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



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**CONSOLIDATED TRIAL BALANCE AS AT 30TH JUNE 2021**

| <b>LANGA LANGA SECONDARY SCHOOL</b>                    |                                            |                      |                      |
|--------------------------------------------------------|--------------------------------------------|----------------------|----------------------|
| <b>CONSOLIDATED TRIAL BALANCE AS AT 30TH JUNE 2021</b> |                                            |                      |                      |
|                                                        |                                            | <b>DR</b>            | <b>CR</b>            |
| <b>Cash and Cash equivalents</b>                       |                                            |                      |                      |
|                                                        | Bank Balances                              | 1,166,770.68         |                      |
|                                                        | Cash Balances                              | 4,840.00             |                      |
|                                                        |                                            |                      |                      |
| <b>Payments</b>                                        |                                            |                      |                      |
|                                                        | Payments for Tuition                       | 1,613,207.00         |                      |
|                                                        | Payments for operations                    | 10,249,090.80        |                      |
|                                                        | Boarding and school fund payments          | 7,432,272.10         |                      |
|                                                        | Infrastructure                             | 4,124,242.80         |                      |
|                                                        |                                            |                      |                      |
| <b>Receipts</b>                                        | Capitation grants for tuition              |                      | 1,643,458.25         |
|                                                        | Capitation grants for operations           |                      | 10,310,321.20        |
|                                                        | School Fund Income- Parents' Contributions |                      | 8,521,168.00         |
|                                                        | Infrastructure                             |                      | 4,736,250.00         |
|                                                        |                                            |                      |                      |
| Prior Year Adjustment                                  |                                            | 426,620.00           |                      |
| <b>Fund Balance b/f</b>                                |                                            |                      | (194,154.07)         |
|                                                        |                                            |                      |                      |
| <b>TOTAL</b>                                           |                                            | <b>25,017,043.38</b> | <b>25,017,043.38</b> |

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

| Receipt/expenses Item                     | Original Budget      | Adjustments | Final Budget         | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|-------------------------------------------|----------------------|-------------|----------------------|----------------------------|-------------------------------|------------------|
|                                           | a                    | b           | c=a+b                | d                          | e=c-d                         | f=d/c %          |
|                                           | Kshs                 | Kshs        |                      |                            | Kshs                          | Kshs             |
| RECEIPTS                                  |                      |             |                      |                            |                               |                  |
|                                           |                      |             |                      |                            |                               |                  |
| <i>(1) CAPITATION GRANT ON TUITION</i>    |                      |             |                      |                            |                               |                  |
| Textbooks and reference materials         | 231,300.00           | -           | 231,300.00           | -                          | 231,300.00                    | -                |
| Exercise books                            | 1,550,000.00         | -           | 1,550,000.00         | 563,893.00                 | 986,107.00                    | 36.38            |
| Laboratory equipment                      | 2,000,952.00         | -           | 2,000,952.00         | 764,331.00                 | 1,236,621.00                  | 38.20            |
| Internal exams                            | 700,000.00           | -           | 700,000.00           | 254,661.00                 | 445,339.00                    | 36.38            |
| Teaching / learning materials             | 166,500.00           | -           | 166,500.00           | 60,573.25                  | 105,926.75                    | 36.38            |
| Bank Charges                              | 10,000.00            |             | 10,000.00            | -                          | 10,000.00                     | -                |
| <b>TOTAL INCOME</b>                       | <b>4,658,752.00</b>  | <b>-</b>    | <b>4,658,752.00</b>  | <b>1,643,458.25</b>        | <b>3,015,293.75</b>           |                  |
|                                           |                      |             |                      |                            |                               |                  |
| <i>(2) CAPITATION GRANT ON OPERATIONS</i> |                      |             |                      |                            |                               |                  |
| Personnel emoluments                      | 6,309,568.00         | -           | 6,309,568.00         | 2,950,579.00               | 3,358,989.00                  | 46.76            |
| Repairs and maintenance                   | 6,340,000.00         |             | 6,340,000.00         | 4,736,250.00               | 1,603,750.00                  | 74.70            |
| Local transport / travelling              | 2,568,968.00         |             | 2,568,968.00         | 1,201,543.00               | 1,367,425.00                  | 46.77            |
| Electricity and water                     | 1,677,564.00         |             | 1,677,564.00         | 784,439.00                 | 893,125.00                    | 46.76            |
| Insurance                                 | 2,536,000.00         |             | 2,536,000.00         | -                          | 2,536,000.00                  | -                |
| Administration costs                      | 1,363,100.00         |             | 1,363,100.00         | 637,510.20                 | 725,589.80                    | 46.77            |
| Activity                                  | 1,902,000.00         |             | 1,902,000.00         | -                          | 1,902,000.00                  | -                |
| <b>TOTAL INCOME</b>                       | <b>22,697,200.00</b> | <b>-</b>    | <b>22,697,200.00</b> | <b>10,310,321.20</b>       | <b>12,386,878.80</b>          |                  |
|                                           |                      |             |                      |                            |                               |                  |
| <i>(3) FEES CHARGED ON PARENTS</i>        |                      |             |                      |                            |                               |                  |



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|                                       |                      |          |                      |                      |                      |              |
|---------------------------------------|----------------------|----------|----------------------|----------------------|----------------------|--------------|
| Lunch                                 | 15,216,000.00        |          | 15,216,000.00        | 8,521,168.00         | 6,694,832.00         | 56.00        |
| <b>TOTAL INCOME</b>                   | <b>15,216,000.00</b> | <b>-</b> | <b>15,216,000.00</b> | <b>8,521,168.00</b>  | <b>6,694,832.00</b>  |              |
|                                       |                      |          |                      |                      |                      |              |
| <b>(4) INFRASTRUCTURE</b>             |                      |          |                      |                      |                      |              |
| Classrooms                            | 6,330,000.00         |          | 6,330,000.00         | 4,736,250.00         | 1,593,750.00         | 74.82        |
| Bank charges                          | 10,000.00            |          | 10,000.00            |                      | 10,000.00            | -            |
| <b>TOTAL INCOME</b>                   | <b>6,340,000.00</b>  | <b>-</b> | <b>6,340,000.00</b>  | <b>4,736,250.00</b>  | <b>1,593,750.00</b>  | <b>74.70</b> |
| <b>GRAND TOTAL</b>                    | <b>48,911,952.00</b> | <b>-</b> | <b>48,911,952.00</b> | <b>25,211,197.45</b> | <b>23,690,754.55</b> |              |
|                                       |                      |          |                      |                      |                      |              |
| <b>(1) EXPENDITURE FOR TUITION</b>    |                      |          |                      |                      |                      |              |
| Textbooks and reference materials     | 231,300.00           | -        | 231,300.00           | 205,400.00           | 25,900.00            | 88.80        |
| Exercise books                        | 1,550,000.00         | -        | 1,550,000.00         | 490,873.00           | 1,059,127.00         | 31.67        |
| Laboratory equipment                  | 2,000,952.00         | -        | 2,000,952.00         | 633,686.00           | 1,367,266.00         | 31.67        |
| Internal exams                        | 700,000.00           | -        | 700,000.00           | 221,684.00           | 478,316.00           | 31.67        |
| Teaching / learning materials         | 166,500.00           | -        | 166,500.00           | 52,730.60            | 113,769.40           | 31.67        |
| Bank Charges                          | 10,000.00            |          | 10,000.00            | 8,833.40             | 1,166.60             | 88.33        |
| <b>Total</b>                          | <b>4,658,752.00</b>  | <b>-</b> | <b>4,658,752.00</b>  | <b>1,613,207.00</b>  | <b>3,045,545.00</b>  |              |
|                                       |                      |          |                      |                      |                      |              |
| <b>(2) EXPENDITURE FOR OPERATIONS</b> |                      |          |                      |                      |                      |              |
| Personnel emoluments                  | 6,309,568.00         | -        | 6,309,568.00         | 2,413,222.00         | 3,896,346.00         | 38.25        |
| Repairs and maintenance               | 6,340,000.00         |          | 6,340,000.00         | 5,291,672.00         | 1,048,328.00         | 83.46        |
| Local transport / travelling          | 2,568,968.00         |          | 2,568,968.00         | 982,719.00           | 1,586,249.00         | 38.25        |
| Electricity and water                 | 1,677,564.00         |          | 1,677,564.00         | 641,578.00           | 1,035,986.00         | 38.24        |
| Insurance                             | 2,536,000.00         |          | 2,536,000.00         |                      | 2,536,000.00         | -            |
| Administration costs                  | 1,363,100.00         |          | 1,363,100.00         | 521,407.80           | 841,692.20           | 38.25        |
| Activity                              | 1,902,000.00         |          | 1,902,000.00         | 398,492.00           | 1,503,508.00         | 20.95        |
| <b>Total</b>                          | <b>22,697,200.00</b> | <b>-</b> | <b>22,697,200.00</b> | <b>10,249,090.80</b> | <b>12,448,109.20</b> |              |
|                                       |                      |          |                      |                      |                      |              |
|                                       |                      |          |                      |                      |                      |              |

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|                                        |                      |          |                      |                      |                      |              |
|----------------------------------------|----------------------|----------|----------------------|----------------------|----------------------|--------------|
| <b>(3) EXPENDITURE FOR SCHOOL FUND</b> |                      |          |                      |                      |                      |              |
| Lunch                                  | 15,216,000.00        |          | 15,216,000.00        | 7,432,272.10         | 7,783,727.90         | 48.85        |
| <b>TOTAL</b>                           | <b>15,216,000.00</b> | <b>-</b> | <b>15,216,000.00</b> | <b>7,432,272.10</b>  | <b>7,783,727.90</b>  | <b>48.85</b> |
|                                        |                      |          |                      |                      |                      |              |
| <b>(4) INFRASTRUCTURE</b>              |                      |          |                      |                      |                      |              |
| Classrooms                             | 6,330,000.00         |          | 6,330,000.00         | 4,123,354.00         | 2,206,646.00         | 65.14        |
| Bank charges                           | 10,000.00            |          | 10,000.00            | 888.80               | 9,111.20             | 8.89         |
| <b>TOTAL</b>                           | <b>6,340,000.00</b>  | <b>-</b> | <b>6,340,000.00</b>  | <b>4,124,242.80</b>  | <b>2,215,757.20</b>  |              |
| <b>GRAND TOTAL</b>                     | <b>48,911,952.00</b> | <b>-</b> | <b>48,911,952.00</b> | <b>23,418,812.70</b> | <b>25,493,139.30</b> |              |

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

i. Half the year report 1<sup>st</sup> Jan 2021-30<sup>th</sup> June 2021



## II. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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



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**I. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

|                                   |  | <b>2021-2021</b>    | <b>2020-2020</b>    |
|-----------------------------------|--|---------------------|---------------------|
|                                   |  | <b>Kshs</b>         | <b>Kshs</b>         |
| Exercise books                    |  | 563,893.00          |                     |
| Laboratory equipment              |  | 764,331.00          |                     |
| Teaching / learning materials     |  | 60,573.25           | 2,086,278.00        |
| Internal exams                    |  | 254,661.00          |                     |
| Textbooks and reference materials |  | -                   |                     |
| SMASSE                            |  | -                   |                     |
| <b>Total</b>                      |  | <b>1,643,458.25</b> | <b>2,086,278.00</b> |

**2 CAPITATION GRANT FOR OPERATIONS**

|                              |  | <b>2021-2021</b>     | <b>2020-2020</b>     |
|------------------------------|--|----------------------|----------------------|
|                              |  | <b>Kshs</b>          | <b>Kshs</b>          |
| Personnel emoluments         |  | 2,950,579.00         | 4,663,608.00         |
| Repairs and maintenance      |  | 4,736,250.00         | 4,906,000.00         |
| Local transport / travelling |  | 1,201,543.00         | 961,744.00           |
| Electricity and water        |  | 784,439.00           | 807,611.00           |
| Medical                      |  | -                    | 214,600.00           |
| Administration costs         |  | 637,510.20           | 1,045,062.00         |
| Activity                     |  | -                    | 429,200.00           |
| <b>Total</b>                 |  | <b>10,310,321.20</b> | <b>13,027,825.00</b> |

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

|              |  | <b>2021-2021</b>    | <b>2020-2020</b>     |
|--------------|--|---------------------|----------------------|
|              |  | <b>Kshs</b>         | <b>Kshs</b>          |
| Lunch        |  | 8,521,168.00        | 12,385,308.00        |
| <b>Total</b> |  | <b>8,521,168.00</b> | <b>12,385,308.00</b> |

**4 INFRASTRUCTURE**

|              |  | <b>2021-2021</b>    | <b>2020-2020</b>    |
|--------------|--|---------------------|---------------------|
|              |  | <b>Kshs</b>         | <b>Kshs</b>         |
| Classroom    |  | 4,736,250.00        | 4,906,000.00        |
| <b>Total</b> |  | <b>4,736,250.00</b> | <b>4,906,000.00</b> |

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**5 PAYMENTS FOR TUITION**

|                                   |  | <b>2021-2021</b>    | <b>2020-2020</b>    |
|-----------------------------------|--|---------------------|---------------------|
|                                   |  | <b>Kshs</b>         | <b>Kshs</b>         |
| Exercise books                    |  | 490,873.00          | 1,363,223.00        |
| Laboratory equipment              |  | 633,686.00          | 20,000.00           |
| Teaching / learning materials     |  | 52,730.60           | 93,359.00           |
| Internal exams                    |  | 221,684.00          | 40,000.00           |
| Textbooks and reference materials |  | 205,400.00          | 320,900.00          |
| SMASSE                            |  | -                   |                     |
| Bank Charges                      |  | 8,833.40            | 76,610.47           |
| <b>Total</b>                      |  | <b>1,613,207.00</b> | <b>1,914,092.47</b> |

**6 PAYMENTS FOR OPERATIONS**

|                              |  | <b>2021-2021</b>     | <b>2020-2020</b>     |
|------------------------------|--|----------------------|----------------------|
|                              |  | <b>Kshs</b>          | <b>Kshs</b>          |
| Personnel emoluments         |  | 2,413,222.00         | 4,277,773.00         |
| Repairs and maintenance      |  | 5,291,672.00         | 6,046,911.00         |
| Local transport / travelling |  | 982,719.00           | 882,176.00           |
| Electricity and water        |  | 641,578.00           | 740,795.00           |
| Medical                      |  | -                    | 196,470.00           |
| Administration costs         |  | 521,407.80           | 958,600.20           |
| Activity                     |  | 398,492.00           | 858,926.00           |
| <b>Total</b>                 |  | <b>10,249,090.80</b> | <b>13,961,651.20</b> |

**7 BOARDING AND SCHOOL FUND PAYMENTS**

|              |  | <b>2020-2021</b>    | <b>2019-2020</b>    |
|--------------|--|---------------------|---------------------|
|              |  | <b>Kshs</b>         | <b>Kshs</b>         |
| Lunch        |  | 7,432,272.10        | 9,062,247.25        |
| <b>Total</b> |  | <b>7,432,272.10</b> | <b>9,062,247.25</b> |

**8 INFRASTRUCTURE PAYMENTS**

|              |  | <b>2021-2021</b>    | <b>2020-2020</b>    |
|--------------|--|---------------------|---------------------|
|              |  | <b>Kshs</b>         | <b>Kshs</b>         |
| Classrooms   |  | 4,124,242.80        | 4,755,756.80        |
| <b>Total</b> |  | <b>4,124,242.80</b> | <b>4,755,756.80</b> |



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**9 BANK ACCOUNTS**

| Name of Bank, Account No. & currency (Kshs) | Bank Account Number | 2020-2021           | 2019-2020           |
|---------------------------------------------|---------------------|---------------------|---------------------|
|                                             |                     | Kshs                | Kshs                |
| Absa Bank-Tuition acc                       | 0271136692          | 16,459.85           | (13,791.40)         |
| Family Bank-Operation acc                   | 018000017935        | 19,874.58           | (41,355.82)         |
| Absa Bank-School fund acc                   | 0271117132          | 368,185.85          | (298,418.05)        |
| Family Bank-Infrastructure                  | 018000077445        | 762,250.40          | 150,243.20          |
| <b>Total</b>                                |                     | <b>1,166,770.68</b> | <b>(203,322.07)</b> |

**10 CASH IN HAND**

| Description         | 2020-2021       | 2019-2020       |
|---------------------|-----------------|-----------------|
|                     | Kshs            | Kshs            |
| School Fund account | 4,840.00        | 9,168.00        |
| <b>Total</b>        | <b>4,840.00</b> | <b>9,168.00</b> |

**11 ACCOUNTS RECEIVABLE**

| Description  | 2020-2021           | 2020-2020           |
|--------------|---------------------|---------------------|
|              | Kshs                | Kshs                |
| Fees arrears | 4,918,976.00        | 5,551,435.00        |
| <b>Total</b> | <b>4,918,976.00</b> | <b>5,551,435.00</b> |

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

| Description                                     | 2020-2021           | 2019-2020           |
|-------------------------------------------------|---------------------|---------------------|
|                                                 | Kshs                | Kshs                |
| Fees arrears for current year                   | 616,615.00          | 1,865,689.00        |
| Fees arrears for the previous year              | 616,615.00          | 400,923.00          |
| Fees arrears for prior periods (over two years) | 3,685,746.00        | 3,284,823.00        |
| <b>Total</b>                                    | <b>4,918,976.00</b> | <b>5,551,435.00</b> |

**12 ACCOUNTS PAYABLE**

| Description                                       | 2020-2021           | 2019-2020         |
|---------------------------------------------------|---------------------|-------------------|
|                                                   | Kshs                | Kshs              |
| Trade creditors (See ageing below and appendix 1) | 1,952,147.00        | 426,620.00        |
| Prepaid fees                                      | 751,000.00          | 37,964.00         |
| <b>Total</b>                                      | <b>2,703,147.00</b> | <b>464,584.00</b> |

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

| Description                                        | 2020-2021           | 2019-2020         |
|----------------------------------------------------|---------------------|-------------------|
|                                                    | Kshs                | Kshs              |
| Trade creditors for current year                   | 1,952,147.00        | 426,620.00        |
| Trade creditors for the previous year              | -                   | -                 |
| Trade creditors for prior periods (over two years) | -                   | -                 |
| <b>Total</b>                                       | <b>1,952,147.00</b> | <b>426,620.00</b> |

**13 ACCUMULATED FUND BALANCE BROUGHT FORWARD**

| YEAR                           |                     |                     |
|--------------------------------|---------------------|---------------------|
| <b>SURPLUS/DEFICIT FOR THE</b> |                     |                     |
| <b>Description</b>             | <b>2020-2021</b>    | <b>2019-2020</b>    |
|                                | Kshs                | Kshs                |
| Tuition                        | 13,791.40           | 3,219,817.77        |
| Operations                     | (41,355.82)         | (2,078,312.47)      |
| Boarding and School Fund       | 4,797,600.95        | 1,845,505.20        |
| Infrastructure                 | 150,243.20          | -                   |
| <b>Total</b>                   | <b>4,920,279.73</b> | <b>2,987,010.50</b> |

**14 FUND BALANCE BROUGHT FORWARD**

| Description   | 2020-2021           | 2019-2020            |
|---------------|---------------------|----------------------|
|               | Kshs                | Kshs                 |
| Bank balances | (203,322.07)        | (606,380.05)         |
| Cash balances | 9,168.00            | 1,161.00             |
| Receivables   | 5,551,435.00        | 8,933,580.73         |
| Payables      | 426,620.00          | 5,511,780.73         |
| Investment    | -                   | 170,429.55           |
| <b>Total</b>  | <b>5,783,900.93</b> | <b>14,010,571.96</b> |

**15 ACCRUALS TO CASH ADJUSTMENTS**

| Description    | 2020-2021             | 2019-2020           |
|----------------|-----------------------|---------------------|
|                | Kshs                  | Kshs                |
| Tuition        | (1,363,223.00)        | (3,405,794.70)      |
| Operations     | (438,924.00)          | 2,970,782.85        |
| School Fund    | (1,345,495.00)        | (370,965.00)        |
| Infrastructure | (150,000.00)          | -                   |
| <b>Total</b>   | <b>(3,297,642.00)</b> | <b>(805,976.85)</b> |



**Other important disclosure notes**

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

**1 Stock/ Inventory**

| Description                                | 2020-2021 | 2019-2020 |
|--------------------------------------------|-----------|-----------|
|                                            | KShs      | KShs      |
| <b>a) Borrowings</b>                       |           |           |
| Stock/ inventory at beginning of the year  | -         | -         |
| Stock/ inventory purchased during the year | -         | -         |
| Stock/ inventory issued during the year    | -         | -         |
| <b>Balance at end of the year</b>          | -         | -         |

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

[illegible]



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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Sno      | Supplier of Goods or Services    | Original Amount     | Date Contracted from | Amount Paid To-date | Outstanding Balance as at as 30/06/2021 | Comment              |
|----------|----------------------------------|---------------------|----------------------|---------------------|-----------------------------------------|----------------------|
|          |                                  | Kshs                | Kshs                 | Kshs                | Kshs                                    |                      |
|          |                                  | a                   | b                    | c                   | d=a-c                                   |                      |
| <b>a</b> | <b>Construction of Buildings</b> |                     |                      |                     |                                         |                      |
| 1        | Raykay Hardware                  | 150,000.00          | 30/06/2021           | -                   | 150,000.00                              | TO CLEAR IN THE YEAR |
|          | <b>Sub-Total</b>                 | <b>150,000.00</b>   |                      | -                   | <b>150,000.00</b>                       | "                    |
| <b>b</b> | <b>Supply of goods</b>           |                     |                      | -                   | -                                       | "                    |
| 1        | Remo Stationers                  | 250,000.00          | 30/06/2021           | -                   | 250,000.00                              | "                    |
| 2        | Patmat Bookshop                  | 216,723.00          | 30/06/2021           | -                   | 216,723.00                              | "                    |
| 3        | Soy Stores                       | 349,500.00          | 30/06/2021           | -                   | 349,500.00                              | "                    |
| 4        | Fig Stores                       | 547,000.00          | 30/06/2021           | -                   | 547,000.00                              | "                    |
| 5        | Gordon Metal Works               | 150,000.00          | 30/06/2021           | -                   | 150,000.00                              | "                    |
| 6        | Akshar Furniture                 | 77,500.00           | 30/06/2021           | -                   | 77,500.00                               | "                    |
| 7        | Copycate Enterprises             | 63,282.00           | 30/06/2021           | -                   | 63,282.00                               | "                    |
|          | <b>Sub-Total</b>                 | <b>1,654,005.00</b> |                      | -                   | <b>1,654,005.00</b>                     | "                    |
| <b>c</b> | <b>Supply of Services</b>        |                     |                      | -                   | -                                       | "                    |
| 1        | Marvel Ventures                  | 21,260.00           | 30/06/2021           | -                   | 21,260.00                               | "                    |
| 2        | Mawla Lab & Equipment            | 113,220.00          | 30/06/2021           | -                   | 113,220.00                              | "                    |
| 3        | Patson Fire Security             | 5,472.00            | 30/06/2021           | -                   | 5,472.00                                | "                    |
| 4        | Hemmsoft Solution                | 8,190.00            | 30/06/2021           | -                   | 8,190.00                                | "                    |
|          | <b>Sub-Total</b>                 | <b>148,142.00</b>   |                      | -                   | <b>148,142.00</b>                       | "                    |
|          | <b>Grand Total</b>               | <b>1,952,147.00</b> | -                    | -                   | <b>298,142.00</b>                       | "                    |



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ANNEX 2 - SUMMARY OF FIXED ASSETS REGISTER

| Sno | Asset class                              | Date Purchased | Location                     | Historical Cost b/f   | Historical Cost c/f   |
|-----|------------------------------------------|----------------|------------------------------|-----------------------|-----------------------|
|     |                                          | Kshs           | Kshs                         | Kshs                  | Kshs                  |
| 1   | Land                                     | Balance bf     | Langa Langa Secondary School | 250,000,000.00        | 250,000,000.00        |
| 2   | Buildings and Structure                  | Balance bf     | Langa Langa Secondary School | 70,000,000.00         | 70,000,000.00         |
| 3   | Motor Vehicles                           | Balance bf     | Langa Langa Secondary School | 6,000,000.00          | 6,000,000.00          |
| 4   | Office Equipment, furniture and fittings | Balance bf     | Langa Langa Secondary School | 2,571,000.00          | 2,571,000.00          |
| 5   | ICT Equipment and Other ICT Assets       | Balance bf     | Langa Langa Secondary School | 1,000,000.00          | 1,000,000.00          |
| 6   | Tools and Apparatus                      | Balance bf     | Langa Langa Secondary School | 5,000,000.00          | 5,000,000.00          |
| 7   | Textbooks                                | Balance bf     | Langa Langa Secondary School | 5,000,000.00          | 5,000,000.00          |
| 8   | Other Machinery and Equipment            | Balance bf     | Langa Langa Secondary School | 500,000.00            | 500,000.00            |
| 9   | Intangible assets-software               | Balance bf     | Langa Langa Secondary School | 500,000.00            | 500,000.00            |
|     | <b>Total</b>                             |                |                              | <b>340,571,000.00</b> | <b>340,571,000.00</b> |

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