


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY	
REPORT PAPERS LAID	
DATE: 26 FEB 2025	
DAY: wed	
TABLED BY:	Hon. Samuel Chepkonga, MP
CLERK-AT THE-TABLE:	M. Mado

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

ST. MARTIN KATHONZWENI SCHOOL

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

MAKUENI COUNTY

Revised 30th June 2021.



ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2021

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

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

	Page
Table of Contents	
I.KEY SCHOOL INFORMATION AND MANAGEMENT.....	2
II.SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL	6
III.STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	16
IV.REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF <i>ST MARTIN KATHONZWENI</i> SCHOOL OF THE YEAR ENDING 30 TH JUNE 2021	17
V.STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 TH JUNE 2021	18
VI.STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2021	20
VIII.STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2021.....	21
IX.SIGNIFICANT ACCOUNTING POLICIES	25
X.NOTES TO THE FINANCIAL STATEMENTS.....	27

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 2017/2/10 under registration number 17S120000021 and is currently categorized as an Extra County Public School established, owned or operated by the Government.

The school is a boarding school and had 783 number of students as at 30th June 2021. It has 4 streams and 43 teachers of which 10 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.	Eng Josephat Ndambuki	Chairman	22 May 2019
2.	Josephine Mwau	Vice Chairman	22 May 2019
3.	Gideon J Muuo	Secretary/Principal	22 May 2019
4.	Martin Makundi	Member	22 May 2019
5.	Urbanus Mbindyo	Member	22 May 2019
6.	Titus Uswii	Member -PA Chairman	22 May 2019
7.	Reuben Kikolya	Member	22 May 2019
8.	Alice Mwangeli	Member	22 May 2019
9.	Veronicah Muoka	Member	22 May 2019
10.	Rev Daniel Mathuva	Member	22 May 2019
11.	Jonathan Kimeu	Member	22 May 2019
12.	Josephine Nzusyo	Member -Rep Teachers	22 May 2019
13.	Reuben Muli	Member	22 May 2019
14.	Stanlous Ndeto	Member	22 May 2019
15.	Joshua Willy Wambua	Member	22 May 2019

ST MARTIN KATHONZWENI SCHOOL

PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements

For the Year Ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT

The function of the School Board of Management include:

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

(c) Committees of the Board

S/No	Names Of Members	Designation	No of meetings attended during the year
1.	Executive Committee		2 TIMES
a)	Eng Josephat M Ndambuki	<i>Bom Chairman</i>	
b)	Josephine M Mwau	<i>Vice Chairman</i>	
c)	Joseph M Gideon	<i>Secretary</i>	
d)	Joshua Willy Wambua	<i>Member</i>	
e)	Martin Muasya Makundi	<i>Member</i>	
f)	Titus Uswii	<i>Member</i>	
2.	Audit Committee		0 Times
a)	Joshua Willy Wambua	<i>Chairman</i>	
b)	Joseph Muuo	<i>Bom Secretary</i>	
c)	Reuben Kikolya	<i>Member</i>	
d)	Alice Musyoka	<i>Member</i>	
e)	Veronicah Muoka	<i>Member</i>	
f)	Esther Levu	<i>Member</i>	
g)	Martin Makundi	<i>Member</i>	
3.	Discipline, Ethics, Human Rights Committee		Once
a)	<i>Stanlous ndeto</i>	<i>chairman</i>	
b)	<i>Joseph muuo</i>	<i>Bom Secretary</i>	
c)	<i>Daniel mathuva</i>	<i>Member</i>	
d)	<i>Reuben muli</i>	<i>Member</i>	
e)	<i>Dorcas kiio</i>	<i>Member</i>	

ST MARTIN KATHONZWENI SCHOOL**PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements

For the Year Ended 30th June 2021

4.	Academic Standards, Safety and Environment		Twice
<i>a)</i>	Eng. Jonathan Kimeu	<i>Chairman</i>	
<i>b)</i>	Joseph Muuo	<i>Bom Secretary</i>	
<i>c)</i>	Arbanus Mbindyo	<i>Member</i>	
<i>d)</i>	Martin Makundi	<i>Member</i>	
<i>e)</i>	Titus Uswii	<i>Member</i>	
<i>f)</i>	Josephine Mwau	<i>Member</i>	
5.	Finance/Procurement and Infrastructure Committee		Once
<i>a)</i>	Titus Uswii	<i>Chairman</i>	
<i>b)</i>	Joseph Muuo	<i>Secretary</i>	
<i>c)</i>	Josephine Mwau	<i>Member</i>	
<i>d)</i>	Joshua Willy Wambua	<i>Member</i>	
<i>e)</i>	Eng Jonathan Kimeu	<i>Member</i>	
<i>f)</i>	Veronica Muoka	<i>Member</i>	

(d) School Operation Management

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

Ref:	Designation	Name	TSC Number/Kasneb Reg No
1	Principal	Gideon Joseph Muuo	364272
2	Deputy Principal	Muthoka Hillary Mutunga	392751
3	School Bursar	Mbithi Dorcus Wandia	NAC / 203033

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT

(e) Schools contacts

Post Office Box: 11-90302
Telephone: 0727077507
E-mail: bkathonzweni@gmail.com

(f) School Banks

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

1. Name of Bank: KCB
Branch: WOTE
Account Number: 1105172597
2. Name of Bank: KCB
Branch: WOTE
Account Number: 1105235947
3. Name of Bank: KCB
Branch: WOTE
Account Number: 1105227979
4. Name of Bank: KCB
Branch: WOTE
Account Number: 1265333548
5. Name of Bank: KCB
Branch: WOTE
Account Number: 1109089511

MPESA Pay Bill No. 522123, Account No 30105K attached to KCB Bank Account

(g) Independent Auditors

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

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

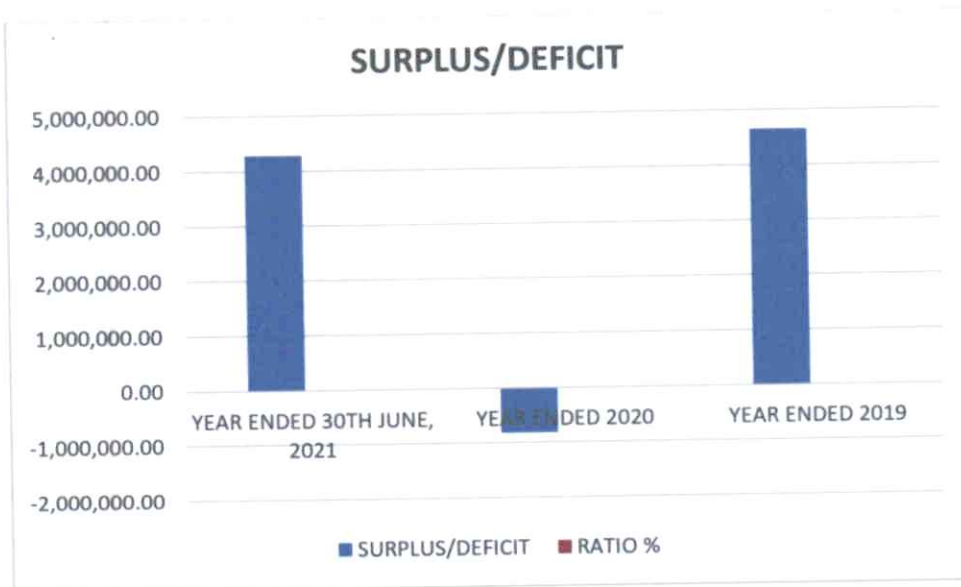
The following is a summary report of the performance of the school against the set performance evaluation criteria:

I. Financial performance:

a) SURPLUS / DEFICIT

PERFORMANCE	YEAR ENDED 30 TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
SURPLUS/DEFICIT	4,290,784.00	(818,194.00)	4,655,775.00
RATIO %	34 %	-14 %	80 %

GRAPHICAL PRESENTATION

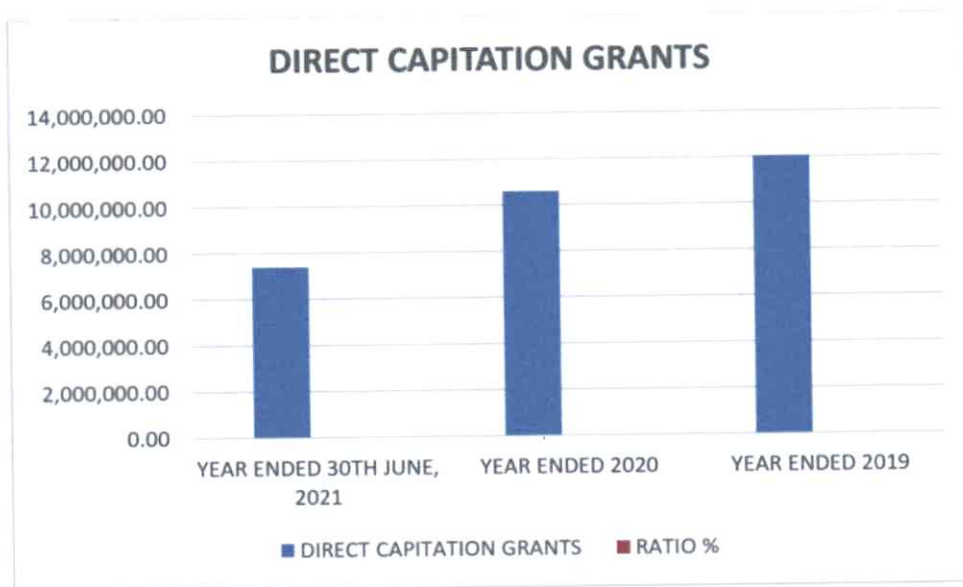


ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

b) CAPITATION GRANTS

PERFORMANCE	YEAR ENDED 30TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
DIRECT CAPITATION GRANTS	7,413,679.00	10,601,924.00	12,056,815.00
RATIO %	19 %	31 %	50 %

GRAPHICAL PRESENTATION

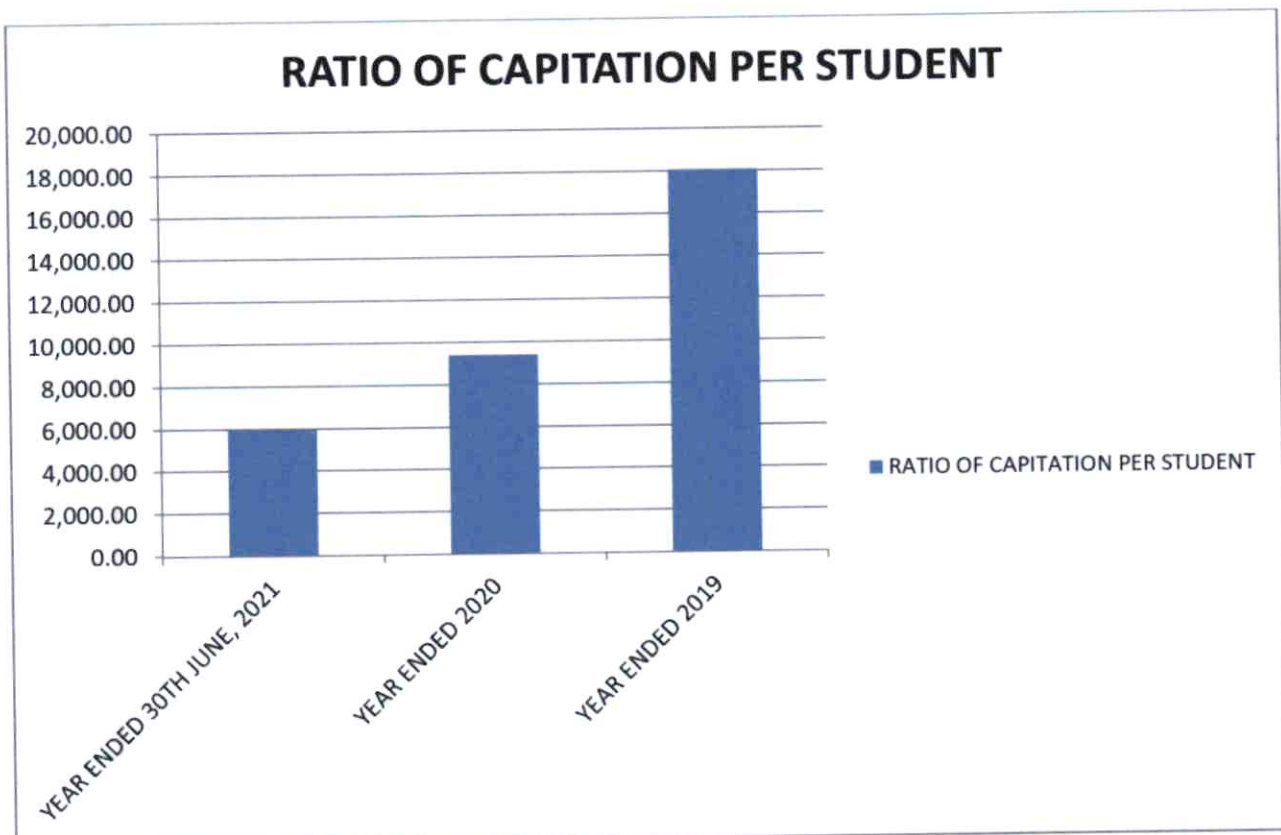


ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

c) RATIO OF CAPITATION PER STUDENT

PERFORMANCE	YEAR ENDED 30TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
RATIO OF CAPITATION PER STUDENT	5,977.00	9,391.00	18,076.00
RATIO %	18 %	28 %	54 %

GRAPHICAL PRESENTATION

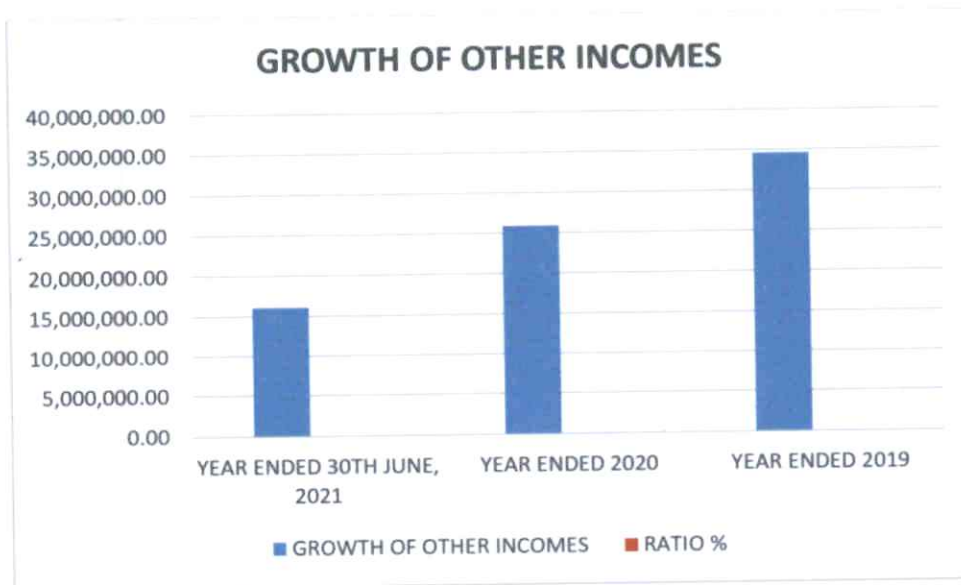


ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

d) OTHER INCOMES EARNED BY THE SCHOOL –PARENTS CONTRIBUTION

PERFORMANCE	YEAR ENDED 30TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
GROWTH OF OTHER INCOMES	16,064,798.00	25,923,227.00	34,629,890.00
RATIO %	18 %	35 %	47 %

GRAPHICAL PRESENTATION

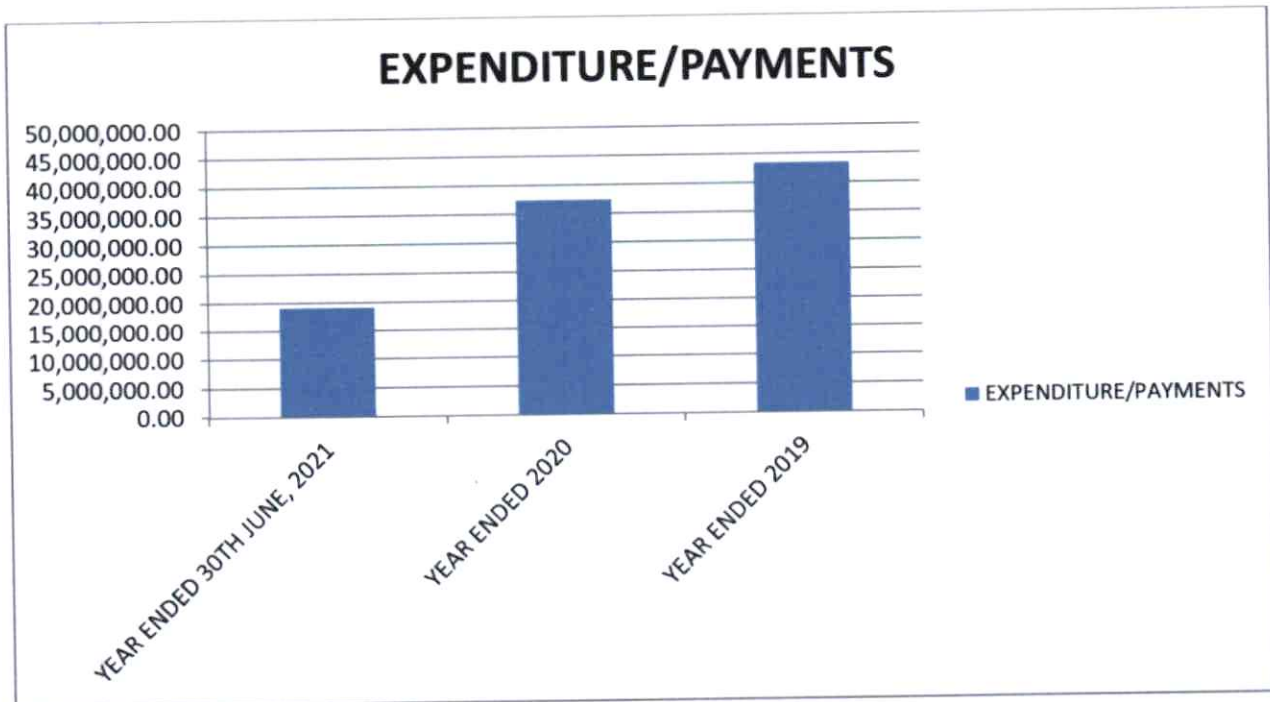


ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

e) EXPENDITURE/PAYMENTS

PERFORMANCE	YEAR ENDED 30TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
EXPENDITURE/PAYMENTS	19,187,693.00	37,343,345.00	43,474,930.00
RATIO %	19 %	37 %	43 %

GRAPHICAL PRESENTATION

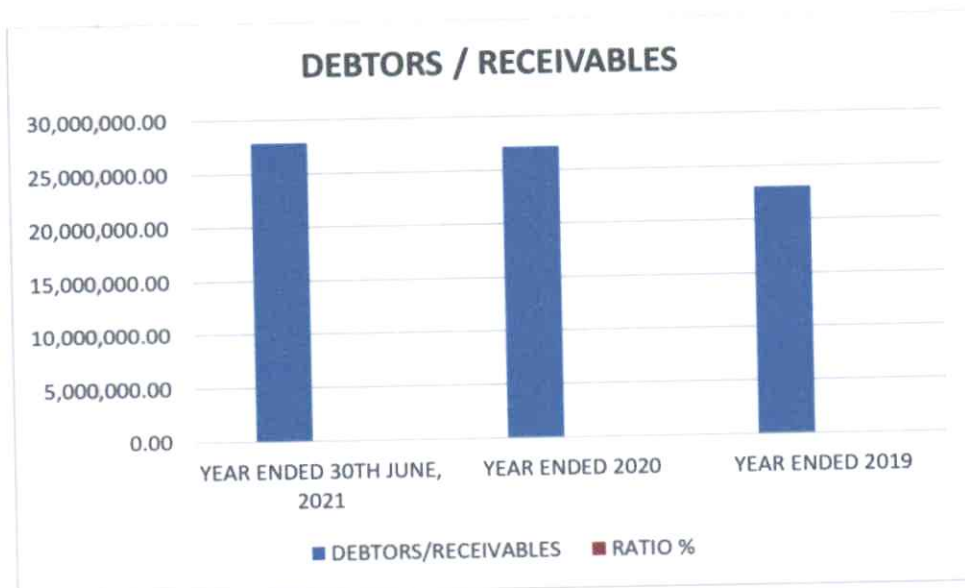


ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

f) DEBTORS / RECEIVABLES

PERFORMANCE	YEAR ENDED 30TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
DEBTORS/RECEIVABLES	27,901,170.00	27,218,210.00	23,065,841.00
RATIO %	36 %	34 %	30 %

GRAPHICAL PRESENTATION

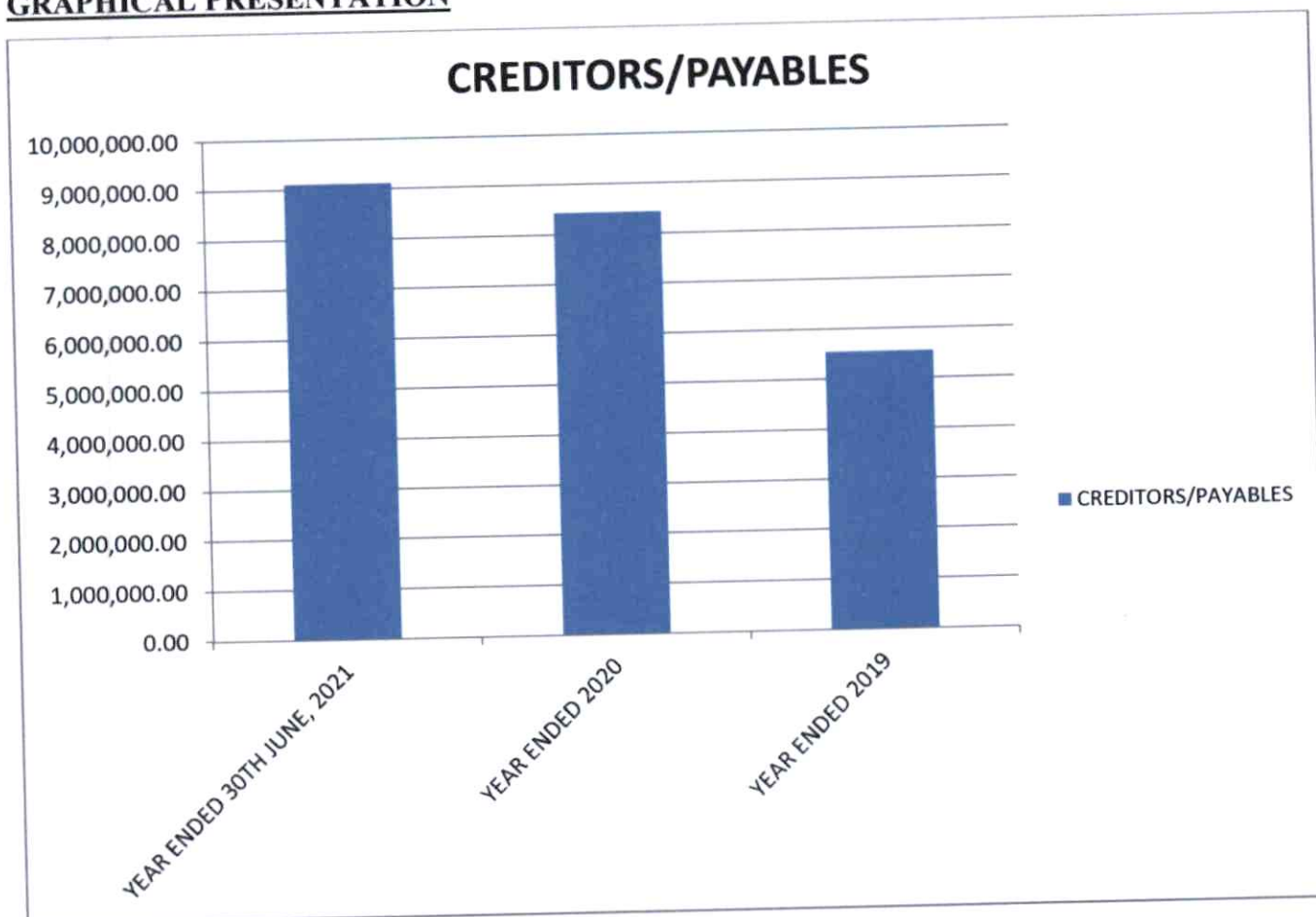


ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

g) CREDITORS/PAYABLES

PERFORMANCE	YEAR ENDED 30TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
CREDITORS/PAYABLES	9,120,190.00	8,437,230.00	5,549,220.00
RATIO %	39 %	37 %	24 %

GRAPHICAL PRESENTATION

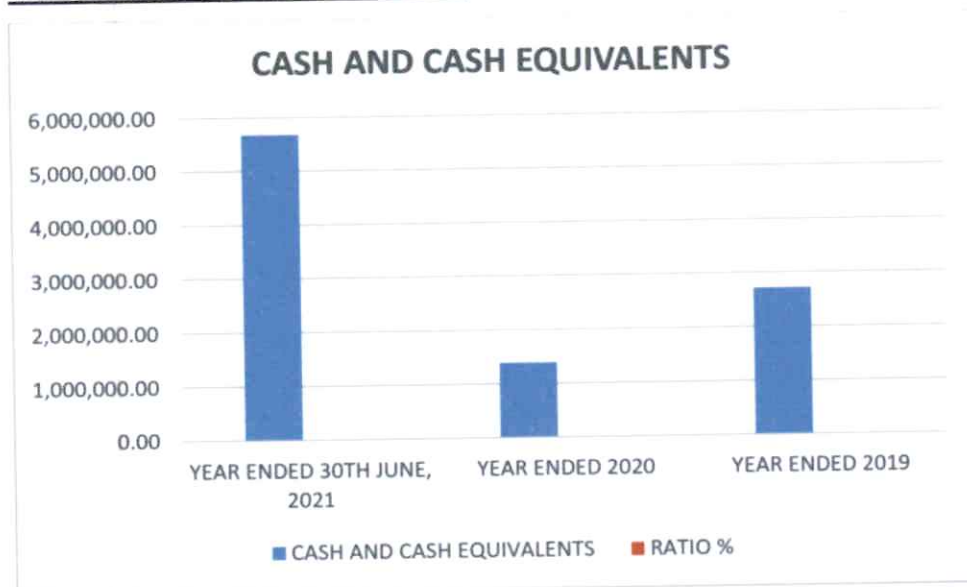


ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

h) CASH AND CASH EQUIVALENTS

PERFORMANCE	YEAR ENDED 30 TH JUNE, 2021	YEAR ENDED 2020	YEAR ENDED 2019
CASH AND CASH EQUIVALENTS	5,681,524.00	1,390,740.00	2,208,934.00
RATIO %	59 %	8 %	33 %

GRAPHICAL PRESENTATION



2) NON - FINANCIAL

Performance	Year Ended 30 th June 2021	Year Ended 2020	Year Ended 2019
Enrolled Students	783	783	667
Number of Teacher	34	35	35
Teacher-Student Ratio	1.27	1.27	1.27

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the Year Ended 30th June 2021

KCSE PERFORMANCE

	YEAR AS AT JUNE 2021	YEAR ENDED 2020	YEAR ENDED 2019
KCSE MEAN SCORE	6.048	-	5.636
KCSE MEAN GRADE	C	-	C
TRANSITION TO UNIVERSITIES	73	-	41
TRANSITION TO OTHER COLLEGES	114	-	117
KCSE CANDIDATES	187	-	158

N/B The school has set strategies for a positive deviation and an increased number of universities entries by 2022.

CAPACITY OF THE SCHOOL

	YEAR ENDED 2021	STATUS
Enrolled Students	783	
Laboratories	2	2 Missing
Dormitories	7	1 Missing
Dining Halls	1	Inadequate
Bore Hole	1	Enough
Toilets	48 Closets	

TEACHER STUDENT RATIO:

Subject	Total no.of Teachers	No.Recruited In The Year	No Transferred In The Year	No Retired In The Year	No.Of Bom Teachers Employed In The Year	Shortage
English	4	-	-	-	1	1
Kiswahili	3	-	-	-	-	1
Mathematics	5	-	-	-	-	0
Biology	3	-	1	-	1	1
Physics	2	-	-	-	-	1
Chemistry	1	-	-	-	-	1
Hist& Government	2	-	-	-	-	1
Geography	2	-	-	-	-	1
CRE	2	-	-	-	-	1
B/Studies	2	-	-	-	-	0
Agriculture	2	-	-	-	-	0
Computer Studies	1	-	-	-	-	1
Art & Design	2	-	-	-	-	0
Home Science	0	-	-	-	1	1
Wood Work	1	-	-	-	-	0
Music	1	-	-	-	-	0
French	1	-	-	-	-	0
TOTAL	34	-	1	-	3	10

*TSC Teachers in School - **32 Teachers**

*BOM Teachers in School - **10 Teachers**

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

a) Development projects carried out by the school:

S/N	PROJECTS	SOURCE OF FUNDS
1.	Storey Dormitory	Parents and FSE
2.	Students Ablution Blocks	Parents

Sign.....



School Principal



ST MARTIN KATHONZWENI SCHOOL

PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements

For the Year Ended 30th June 2021


II. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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

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


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

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

Name: Eng. Fidelis Kavita
Designation: Chairman, School Board of Management
Sign: 
Date: 28/10/2022

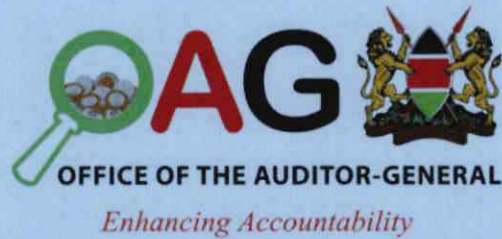
Name: Gideon Joseph Muuo
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 28/10/2022



Name: Dorcus Wandia Mbithi
Designation: Bursar
Sign: 
Date: 28/10/2022

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. MARTIN KATHONZWENI SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - MAKUENI 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 the Government achieves value for money and that such funds are applied for intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 St. Martin Kathonzweni School – Makueni County set out on pages 18 to 32, which comprise of the statement of financial

*Report of the Auditor-General on St. Martin Kathonzweni School for the Six (6) months' period ended 30 June, 2021
– Makueni County*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Martin Kathonzweni School as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012, and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

- i. The statement of budgeted versus actual amounts reflects actual comparable budgeted total income amounting to Kshs.23,478,477 which varies with the recomputed amount of Kshs.27,501,632 resulting to an unexplained variance of Kshs.4,023,155.
- ii. The statement of budgeted versus actual amounts reflects actual comparable budgeted total expenditure amounting to Kshs.19,187,693 which varies from recomputed amount of Kshs.20,779,812 resulting to an unexplained variance of Kshs.1,592,119.

In the circumstances, the accuracy and completeness of the actual total income and total expenditure of Kshs.23,478,477 and Kshs.19,187,693 respectively in the statement of budgeted versus actual amounts could not be confirmed.

2. Variances in Payables

Note 12 of the financial statements reflects accounts payables amounting to Kshs.9,120,190. Included in the balance is trade creditors of Kshs.8,053,860. However, the balance varies from Kshs.3,766,216 in Annex 1 to the financial statements resulting to an unexplained variance of Kshs.4,287,644.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.8,053,860 could not be confirmed.

3. Variance in School Fund Income-Parents Contribution

The statement of receipts and payments reflects school fund income-parents contributions balance amounting to Kshs.15,770,798 as disclosed in Note 3 to the

financial statements. However, re-computation of the Expected Net revenue receipts for School Fund Income -Parents' Contributions as per the accountable documents availed for audit revealed that the School should have collected a total Kshs.33,545,374 resulting to an unexplained variance of Kshs.17,774,576.

In the circumstances, the accuracy and completeness of school fund income- parents' contributions of Kshs.15,770,798 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.1,020,053 and Kshs.6,393,626 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs.2,668,710 whereas the NEMIS capitation reflects an amount of Kshs.2,638,710 resulting to an unexplained variance of Kshs.30,000. Further comparison of banks statements and the financial statements reflects an amount of Kshs.2,668,710 and Kshs.7,413,679 respectively resulting to an unexplained variance of Kshs.4,744,969.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.1,020,053 and Kshs.6,393,626 could not be confirmed

5. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.27,901,170 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivable of Kshs27,901,170 could not be confirmed.

6. Long Outstanding Receivables

The statement of financial assets and liabilities reflects accounts receivable balance of Kshs27,901,170. Included in the balance are receivables amounting to Kshs.25,076,948 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.27,901,170 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the St Martin Kathonzweni School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other

ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.31,219,511 and Kshs.23,478,477 respectively, resulting to an under-funding of Kshs.7,741,034 or 25 % of the budget. However, the School spent a balance of Kshs.19,187,693 against actual receipts of Kshs.23,478,477 resulting to an under-utilization of Kshs.4,290,784 or 18 % of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 7 July, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.No:MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be

ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Outstanding Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance amounting to Kshs.9,120,190 as disclosed in Note 12 to the financial statements. Included in the balance were trade creditors that had been outstanding for one year of Kshs.3,364,572. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

3. Variances in Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.7,413,679. Comparison of data from National Education Management and information System (NEMIS) with records from the School revealed that during the financial period of six months ended 30 June, 2021, NEMIS reflected seven hundred and eighty three (783) students while records from the School had seven hundred and twenty nine (729) students, resulting to an underfunding of the School by an amount of Kshs.1,201,176. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 13 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

4. Failure to Transfer Funds to the Infrastructure Account

The statement of receipts and payments reflects capitation operations of Kshs.6,393,626 as disclosed in Note.2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,174,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, the amount had not been transferred to infrastructure account by 30 June, 2021. Additionally, no supporting documents were provided on approval for payment of the completion of the dormitory from the Boarding account. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School

infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.11,631,803 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.383,623 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.383,623 could not be confirmed.

6. Lack of a Procurement Plan

The statement of receipts and payments reflects Boarding and School Fund payments of Kshs.11,631,803 as disclosed in Note 7 to the financial statements. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation, 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

7. Irregular Expenditure from the School Fund Boarding Account

Review of records revealed that during the years under audit, the School spent a total of Kshs.500,000.00 from the Boarding account to pay a contractor on 27 January, 2021. This is in contravention to circular number MOE/CONF/G5 of 26 November, 2019 from the Ministry of Education which states that all Infrastructure grants and Maintenance and improvement to be transferred to the Infrastructure account. However, evidence of written approval for payment of the completion of the dormitory from the Boarding account was not provided for verification.

In the circumstances, the validity and propriety of the above payment could not be confirmed.

The audit was conducted in accordance with the 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 THE 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 the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Non-Adherence to the Procurement Regulations

The statement of receipts and payments reflects Boarding and School Fund payments amounting to Kshs.11,631,803 as disclosed in Note 7 to the financial statements. Included in the amounts are two payments to contractors for the supply and construction of roofing materials of Kshs.885,180 and supply of construction materials of Kshs.68,400 respectively. However, there were no supporting documents provided on the procurement such as procurement plan, advertisement, requisition memo, valuations, awarding Acceptance/regrets, contractual document and Inspection and Acceptance committee. It was also observed that all of the suppliers and services providers were not prequalified and listed in their appropriate categories.

In the circumstances, the adequacy of the internal controls to ensure adherence to procurement procedures and regulations could not be confirmed.

2. Lack of a Memorandum Cash Book/Petty Cashbook

Review of the records revealed that there were standing imprests of Kshs.4,000,000 issued by Management. However, there was no memorandum cash book that was kept by the office to enable reconciliation of all the amounts that were issued. Additionally, it was noted that the school did not maintain an Imprest register for temporary Imprest.

In the circumstances, the adequacy of the internal controls on cash management could not be confirmed.

3. Un-Budgeted Expenditures

During the period under review, it was noted that the School procured Medical and Insurance for Kshs.127,062.00. However, this expenditure had not been included in the approved budget for financial year 2021. It was therefore not possible to confirm whether all the procurements were carried out in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.

In the circumstances, effectiveness of controls on the unbudgeted expenditures could not be confirmed.

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control 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 School's ability to continue 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 School's 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

6 November, 2024

*Report of the Auditor-General on St. Martin Kathonzweni School for the Six (6) months' period ended 30 June, 2021
 – Makeni County*

**ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements

For the Year Ended 30th June 2021

STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	Jan –June 2021	2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1.	1,020,053.00	1,338,333.00
Capitation grants for operations	2.	6,393,626.00	9,263,591.00
School Fund Income- Parents' Contributions	3.	15,770,798.00	25,502,627.00
School Fund Income- Other receipts	4.	294,000.00	420,600.00
Proceeds from borrowings		0.00	0.00
TOTAL RECEIPTS		23,478,477.00	36,525,151.00
PAYMENTS			
Payments for Tuition	5.	2,196,446.00	1,308,921.00
Payments for operations	6.	5,359,444.00	9,939,887.00
Boarding and school fund payments	7.	11,631,803.00	26,094,537.00
TOTAL PAYMENTS		19,187,693.00	37,343,345.00
SURPLUS/DEFICIT		4,290,784.00	(818,194.00)

The school financial statements were approved on 28/10/ 2022 and signed by:

Sign: 

Eng Fidelis Kavita

Chair BOM


Date 28/10/2022

Sign: 

Gideon J Muuo

**School Principal/
Secretary to BOM**

Date 28/10/2022

Sign: 

Dorcus W Mbithi

Bursar

Date 28/10/2022



**ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements

For the Year Ended 30th June 2021

IV. 21

	Note	Jan –June 2021	2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	5,659,979.00	1,381,630.00
Cash Balances	9	21,545.00	9,109.00
Short term Investment	10	-	-
Total Cash and cash equivalent		5,681,523.00	1,390,740.00
Account's receivables	11	27,901,170.00	27,218,210.00
TOTAL FINANCIAL ASSETS		33,582,693.00	28,608,950.00
FINANCIAL LIABILITIES			
Accounts Payables	12	9,120,190.00	8,437,230.00
NET FINANCIAL ASSETS		24,462,504.00	20,171,720.00
REPRESENTED BY			
Accumulated Fund b / fwd	13	20,171,720.00	20,989,914.00
Surplus/Deficit for the year		4,290,784.00	(818,194.00)
NET FINANCIAL POSSITION		24,462,504.00	20,171,720.00

The School's financial statements were approved on 28/10/2022 and signed by:

Name: Eng Fidelis Kavita
Chairman, BoM

Sign: _____

Date: 28/10/2022

Name: Gideon Joseph Muuo
School Principal/Secretary
to BoM

Sign: _____

Date: 28/10/2022

Name: Dorcus W Mbithi
Bursar

Sign: _____

Date: 28/10/2022



ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements

For the Year Ended 30th June 2021

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

		Jan –June 2021	2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,020,053.00	1,338,333.00
Capitation grants for operations/Infrastructure	2	6,393,626.00	9,263,591.00
School fund income - Parents contributions / fees	3	15,770,798.00	25,502,627.00
School fund income - other receipts	4	294,000.00	420,600.00
Total receipts		23,478,477.00	36,525,151.00
Payments			
Payments for Tuition	5	2,196,446.00	1,308,921.00
Payments for operations/infrastructure	6	5,359,444.00	9,939,887.00
Boarding and school fund payments	7	11,631,803.00	26,094,537.00
Total payments		19,187,693.00	37,343,345.00
Net cash flow from operating activities		4,290,784.00	(818,194.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		N/A	N/A
Acquisition of Assets		N/A	N/A
Proceeds from investments		N/A	N/A
Purchase of investments		N/A	N/A
Net cash flows from Investing Activities		N/A	N/A
		4,290,784.00	(818,194.00)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		N/A	N/A
Repayment of principal borrowings		N/A	N/A
Net cash flow from financing activities		N/A	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,290,784.00	(818,194.00)
Cash and cash equivalent at BEGINNING of the year		1,390,740.00	2,208,934.00
Cash and cash equivalent at END of the year		5,681,524.00	1,390,740.00

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

**VI. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR
THE YEAR ENDED 30TH JUNE 2021**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Teaching / learning Materials	1,699,040.00	-	1,699,040.00	1,020,053.00	678,987.00	60%
(2) CAPITATION GRANT ON OPERATIONS						
Other Vote Heads(P.E,Ltt,Ewc,Adm Cost)	3,854,000.00	-	3,854,000.00	3,659,626.00	194,374.00	95%
Maintenance & Improvement	2,050,000.00	-	2,050,000.00	2,734,000.00	684,000.00	133%
Medical & Insurance	820,000.00	-	820,000.00	-	820,000.00	0%
Activity	615,000.00	-	615,000.00	-	615,000.00	0%
(3) FEES CHARGED ON PARENTS						
Other Vote Heads(P.E,Ltt,Ewc,Adm Cost)	4,784,700.00	-	4,784,700.00	5,493,599.00	(708,899.00)	115%
Maintenance & Improvement	820,000.00	-	820,000.00	635,417.00	184,583.00	77 %
Students ID Cards	40,000.00	-	40,000.00	200.00	39,800.00	1%
Activity	205,000.00	-	205,000.00	65,603.00	139,397.00	32 %
Boarding Equipment and Stores	13,530,410.00	-	13,530,410.00	9,564,979.00	6,643,262.00	71%
Medical and insurance				11000.00	11000.00	-100%
Fees Arrears	2,419,361.00		2,419,361.00	4,023,155.00	(1,603,794.00)	17%
OTHER INCOME						
Rent Income	132,000.00		132,000.00	84,000.00	48,000.00	64%
Income from Bus Hire	250,000.00		250,000.00	210,000.00	40,000.00	84%
TOTAL INCOME	31,219,511.00		31,219,511.00	23,478,477.00	7,741,034.00	75%

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	1,699,040.00		1,699,040.00	2,195,834.00	(496,794.00)	129%
Creditor	1,877,193.00		1,877,193.00	1,155,379.00	721,814.00	62%
(2) EXPENDITURE FOR OPERATIONS						
Othervoteheads(P.E,Ltt,Ewc,A dm Cost)	3,854,000.00		3,854,000.00	4,090,611.00	(236,611.00)	106%
Maintenance & Improvement	2,050,000.00		2,050,000.00	1,071,156.00	978,844.00	52%
Medical & Insurance	820,000.00		820,000.00	197,677.00	622,323.00	24%
Activity	615,000.00		615,000.00	-	615,000.00	0%
Creditor	158,860.00		158,860.00	5,000.00	153,860.00	3%
(3) EXPENDITURE FOR SCHOOL FUND						
Othervoteheads(P.E,Ltt,Ewc,A dm Cost)	4,784,700.00		4,784,700.00	4,534,432.00	250,268.00	95%
Maintenance & Improvement	820,000.00		820,000.00	321,168.00	498,832.00	39%
Activity	205,000.00		205,000.00	42,160.00	162,840.00	21 %
Boarding Equipment and Stores	13,530,410.00		13,530,410.00	4,534,432.00	8,995,978.00	34%
Bus Hire	250,000.00		250,000.00	80,100.00	169,900.00	32%
Students Id Cards	40,000.00		40,000.00	42,400.00	(2,400.00)	106%
Rent Expenses	132,000.00		132,000.00	24,000.00	108,000.00	18%
Sundry Creditors	1,730,163.00		1,730,163.00	2,485,463.00	(755,300.00)	147%
TOTAL EXPENDITURE	32,566,366.00		32,566,366.00	19,187,693.00	13,378,673.00	59%

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

VI. 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.

**ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements

For the Year Ended 30th June 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

VI. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	Jan –June 2021	2020
	Kshs	Kshs
Teaching / learning materials	1,020,053.00	1,338,333.00
	0.00	0.00
Total	1,020,053.00	1,338,333.00

2 CAPITATION GRANT FOR OPERATIONS

	Jan –June 2021	2020
	Kshs	Kshs
Medical & Insurance	0.00	185,321.00
Activity	0.00	289,200.00
Maintenance & Improvement	2,734,000.00	3,249,000.00
Other vote heads	3,659,626.00	5,540,070.00
Total	6,393,626.00	9,263,591.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	Jan –June 2021	2020
	Kshs	Kshs
Other Vote Heads	5,493,599.00	7,918,006.00
Medical & Insurance	11,000.00	0.00
Maintenance & Improvement	635,417.00	1,961,770.00
Activity	65,603.00	326,000.00
Boarding Equipment & Stores	9,564,979.00	14,604,091.00
Student ID Cards	200.00	44,400.00
Uniforms	-	558,160.00
KCSE Exam		90,200.00
Total	15,770,798.00	25,502,627.00

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Description	Jan –June 2021	2020
	Kshs	Kshs
Rent Income	84,000.00	215,000.00
Tender	0.00	41,000.00
KCSE Exam	0.00	90,200.00
Income from bus hire	210,000.00	164,600.00
Total	294,000.00	420,600.00

5 PAYMENTS FOR TUITION

	Jan –June 2021	2020
	Kshs	Kshs
Teaching / learning materials	2,195,834.00	1,308,921.00
Bank Charges	612.00	0.00
Total	2,196,446.00	1,308,921.00

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT

	Jan –June 2021	2020
	Kshs	Kshs
Other Vote Heads	4,090,611.00	5,022,431.00
Medical & Insurance	197,677.00	283,137.00
Activity	0.00	339,880.00
Maintenance & Improvement	1,071,156.00	4,294,439.00
total	5,359,444.00	9,939,887.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	Jan –June 2021	2020
	Kshs	Kshs
Activity	42,160.00	490,930.00
Boarding Equipment & Stores	6,460,481.00	9,594,032.00
Maintenance & Improvement	321,168.00	7,521,744.00
Other Vote Heads	4,534,432.00	7,088,266.00
Students Identity Cards	42,400.00	0.00
Medical & Insurance	127,062.00	202,715.00
House Rent Expense	24,000.00	0.00
School Bus Hire	80,100.00	216,900.00
KCSE Exam	0.00	96,000.00
Uniform	0.00	847,950.00
Tender Fee	0.00	36,000.00
TOTAL	11,631,803.00	26,094,537.00

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	Jan –June 2021	2020
		Kshs	Kshs
Tuition Account	1105227979	13,660.00	18,239.00
Operations Account	1105235947	537,880.00	111,510.00
School Fund Account/Boarding	1105172597	3,076,631.00	248,869.00
Savings Account	1109089511	601,968.00	185,467.00
Touch a learner foundation (Tale)	0670280311806	695,938.00	695,938.00
CDF account	0670294067810	53,209.00	53,209.00
Infrastructural Account	1265333548	680,692.00	68,398.00
Total		5,659,979.00	1,381,630.00

9 CASH IN HAND

Description	Jan –June 2021	2020
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	3,444.00	4,067.00
School Fund account	18,101.00	5,042.00
Total	21,545.00	9,109.00

10 SHORT TERM INVESTMENTS

Description	Jan –June 2021	2020
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	0	0

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	Jan –June 2021	2020
	Kshs	Kshs
Fees arrears	27,901,170.00	27,218,210.00
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
Total	27,901,170.00	27,218,210.00

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

Description	Jan –June 2021	2020
	Kshs	Kshs
Fees arrears for current year	682,690.00	5,310,411.00
Fees arrears for the previous year	2,141,532.00	3,267,034.00
Fees arrears for prior periods (over two years)	25,076,948.00	18,640,765.00
Total	27,901,170.00	27,218,210.00

12 ACCOUNTS PAYABLE

Description	Jan –June 2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	8,053,860.00	7,779,884.00
Prepaid fees	1,066,330.00	657,346.00
Retention monies	0.00	0.00
Total	9,120,190.00	8,437,230.00

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

Description	Jan –June 2021	2020
	Kshs	Kshs
Trade creditors for current year	4,689,288.00	7,679,884.00
Trade creditors for the previous year	3,364,572.00	100,000.00
Trade creditors for prior periods (over two years)		
Total	8,053,860.00	7,779,884.00

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the Year Ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	Jan –June 2021	2020
	Kshs	Kshs
Bank balances	1,381,630.00	3,454,155.00
Cash balances	9,109.00	19,138.00
Short Term Investments	0.00	0.00
Receivables	27,218,210.00	23,065,841.00
Payables	(8,437,230.00)	(5,549,220.00)
Total	20,171,720.00	20,989,914.00

Non-current Liabilities Summary

Description	Jan –June 2021	2020
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total	0	0

14 Biological assets

Description	Numbers	Jan –June 2021	2020
		Kshs	Kshs
Cattle	4	320,000.00	320,000.00
Goats			
Total		320,000.00	320,000.00

15 Borrowings

Description	Jan –June 2021	2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
Balance at end of the year	0	0

ST MARTIN KATHONZWENI SCHOOL**PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements

For the Year Ended 30th June 2021**Other important disclosure notes****16 Stock/ Inventory**

ITEM	STOCK/INVENTORY AT BEGINNING OF THE YEAR	STOCK/INVENTORY PURCHASED DURING THE YEAR	STOCK/INVENTORY ISSUED DURING THE YEAR	BALANCE AT END OF THE YEAR
Maize	693kgs	18,880 Kgs	18,482 Kgs	1,091 Kgs
Bean	1,327.5 Kgs	9,810 Kgs	8,834.5 Kgs	2,303kgs
Sugar	1,078 Kgs	1,650kgs	2,366 Kgs	362 Kgs
Rice	3,758 Kgs	6,050 Kgs	8,442 Kgs	1,366 Kgs
Salt	21 Kgs	980 Kgs	685 Kgs	316 Kgs
B/Band	15kgs	22 Kgs	28 Kgs	9 Kgs
Cocoa	0 Kgs	39 Kgs	34.6 Kgs	4.4 Kgs
Muthokoi	11kgs	7,383 Kgs	6,621 Kgs	773 Kgs
T/Leaves	28 Kgs	33.5 Kgs	39.5 Kgs	22 Kgs
Maize Flour	1,052 Kgs	2,328 Kgs	2,538 Kgs	842 Kgs
Cooking Oil	460 Litres	760 Litres	820 Litres	400litres
Coffee	27 Tins	0 Tin	16 Tins	11 Tins
Green Grams	3,023 Kgs	178 Kgs	1,651 Kgs	1,550 Kgs
Tissue Paper	135 Pcs	260 Pcs	367 Pcs	28 Pcs
Saviettes	60 Pcs	0 Pc	41 Pcs	19 Pcs
Jik	3 Jerricans	5 Jerricans	3 Jerricans	5 Jerricans
Detergent	23 Jerricans	40 Jerricans	33 Jerricans	30 Jerricans
Disinfectant	0 Jerrican	83 Jerricans	80 Jerricans	3 Jerricans
Omo	10 Pkts	24 Pkts	33 Pkts	1 Pkt
Dettol	0 Jerrican	3 Jerricans	1 Jerrican	2 Jerricans
Witeout	3 Pcs	30 Pcs	19 Pcs	14 Pcs
Ballpen	482 Pcs	150 Pcs	328 Pcs	304 Pcs
Spring File	9 Pcs	200 Pcs	142 Pcs	67 Pcs
Markpens	14 Pcs	60 Pcs	20 Pcs	54 Pcs
Exercise Book	1,193 Books	4,896 Books	4,322 Books	1,767 Books
Stapies	6 Pcs	25 Pcs	19 Pcs	12 Pcs
Dusters	13 Pcs	16 Pcs	19 Pcs	10 Pcs
Manila Paper	59 Pcs	100 Pcs	40 Pcs	119 Pcs
Ruled Papers	8 Reams	111 Reams	73 Reams	46 Reams
Printing Papers	48 Reams	650 Reams	526 Reams	172 Reams
White Chalk	170 Pkts	144 Pkts	164 Pkts	150 Pkts
Counter Book Q3	27 Pcs	0 Pc	11 Pcs	16 Pcs
Counter Book Q2	32 Pcs	30 Pcs	43 Pcs	19 Pcs
Whiteboard Marker	30 Pcs	110 Pcs	50 Pcs	90 Pcs
Office Glue	0 Tins	1 Tin	1 Tin	0 Tin
Elimu Lesson Book	5 Pcs	25 Pcs	8 Pcs	17 Pcs
Staedtler Pencil	23 Pcs	0 Pc	17 Pcs	9 Pcs
Graph Papers	20 Reams	14 Reams	13 Reams	21 Reams
Graph Books	610 Books	0 Books	368 Books	242 Books
Envelope A6	0 Carton	1 Carton	1 Carton	0 Carton
Envelope A5	0.5 Carton	0 Carton	0.5 Carton	0 Carton

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the Year Ended 30th June 2021

17 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS


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

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

ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
	a (Kshs)	b(Kshs)	c(Kshs)	d=a-c(Kshs)	
Supply of goods					
1. Danstar Enterprises	199,000.00	4/3/2021	0.00	199,000.00	Disinfecta
2. Brivick Enterprises	45,500.00	1/3/2021	0.00	45,500.00	Deterge
3. Peter Mulei & Sons	1,010,135.00	2021	835,510.00	174,625.00	Manufactured Goo
4. Exclusive Fashion & General Supplies	481,000.00	2021	0.00	481,000.00	Dry Mai
5. City Loaf Limited	139,180.00	9/1/2021-30/6/2021	112,970.00	26,210.00	Scon
6. DPL Festive	452,549.00	4/1/2021-30/6/2021	199,801.00	252,748.00	Fresh Bre
7. Jamu Stores	67,320.00	20/2/2020	51,000.00	16,320.00	Repa
8. Nzimu Enterprises	56,980.00	2021	0.00	56,980.00	Constructi Materi
9. Sanaa Busmix Ventures	61400.00	5/2/2021	0.00	61,400.00	Printed Dairy Boo
10. Motech Computers	47,500.00	2021	0.00	47,500.00	Tonne
11. Danymu Electricals	25,870.00	2021	0.00	25,870.00	Electrical Applianc and Repa
12. Jokim Investments	95,460.00	22/2/2021	0.00	95,460.00	Laborato Chemicals Apparat
13. Nyapenjo Ventures	7,650.00	21/6/2021	0.00	7,650.00	Stam
14. Cynram Pillar Investments	239,900.00	7/5/2021	0.00	239,900.00	Photocopying Paper
15. Bookflie Precise Publishers	158,860.00	11/1/2021	0.00	158,860.00	Revision Materie
16. Lexa Chemicals and Equipments	664,113.00	2020-2021	270,000.00	394,113.00	Laborato Chemicals Apparat
17. Mosheni Technologies	601,500.00	2020-17/5/2021	100,000.00	501,500.00	Masters,Dup Inks,Machine Repa
18. Jasho Office Supplies	157,000.00	2020-19/5/2021	75,000.00	82,000.00	Masters,Dup Inks,Machine Repa
19. Patrima Supplies	327,350.00	2020-31/5/2021	195,000.00	132,350.00	Stationa
20. East Kenya Supplies	607,180.00	2021	0.00	607,180.00	Printed Exerci Books & Stationa
21. Education Supply Godown	113,970.00	21/1/2021	53,920.00	60,050.00	Revision Materie
22. Aspet School Supplies	100,000.00	2020	0.00	100,000.00	Laborato Chemicals Apparat
Total				3,766,216.00	



ST MARTIN KATHONZWENI SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Year Ended 30th June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land	1969	School Premises	49,400,000.00			49,500,000.00
Buildings and structures	1969-2022	School Premises	71,254,900.00	-	-	71,254,900.00
Motor vehicles	2008	School Premises	1,600,000.00	-	-	1,500,000.00
Office equipment, furniture and fittings	2017/2018	School Premises	12,900,000.00	-	-	12,900,000.00
ICT Equipment, and Other ICT Assets	2019	School Premises	7,825,000.00	-	-	7,825,000.00
Tools and apparatus	2018	School Premises	2,000,000.00	-	-	2,000,000.00
Textbooks	2018	School Premises	2,000,000.00	-	-	2,000,000.00
Other Machinery and Equipment	2020	School Premises	2,450,000.00	-	-	2,350,000.00
Intangible Assets - Softwares	-	School Premises	500,000.00	-	-	500,000.00
Heritage and Cultural Assets	-	-	200,000.00	-	-	200,000.00
Total			150,129,900.00			150,029,900.00



1870
1871
1872
1873
1874
1875
1876
1877
1878
1879
1880
1881
1882
1883
1884
1885
1886
1887
1888
1889
1890
1891
1892
1893
1894
1895
1896
1897
1898
1899
1900