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**REPORT**

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DATE: 20 NOV 2024	DAY: Wednesday
TABLED BY: OF	Hon. Naomi Wago, MP Deputy Majority Whip
CLERK-AT-THE-TABLE:	Irene Ndeku

**THE AUDITOR-GENERAL**

**ON**

**MOI AMALO SECONDARY SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**NAKURU COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
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*MOI-AMALO SECONDARY SCHOOL*  
PUBLIC SECONDARY SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022

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

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**III. Report Of The Independent Auditors *(To be attached)***

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## I. Key School Information and Management

### (a) Background information

Moi Amalo secondary is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nakuru County, Kuresoi South Sub-County

The school was registered in 1995 under registration number GP/A/488/95 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 738 number of students as at 30<sup>th</sup> June 2022. It has 16 streams and 38 teachers of which 19 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	Albin Sang	Chairman	10/6/2022
2	Philip Bii	Secretary - Principal	10/6/2022
3	Edward Nganga	Member	10/6/2022
4	Winnie Korir	Member	10/6/2022
5	Ednah Bore	Member	10/6/2022
6	Ismael Maritim	Member	10/6/2022
7	Judy Koskey	Member	10/6/2022
8	Sally Koech	Member – Rep CEB	10/6/2022
9	John Korir	Member Rep Teachers	10/6/2022
10	i) Nancy Rono	- Sponsor	10/6/2022
	ii) John Ngetich	Sponsor	10/6/2022
	iii) Chepkorir Koskei	Sponsor	10/6/2022
11	Peter Chepchilat	Member	10/6/2022
11	Rachel Keter	Community	10/6/2022
12	Joseph Kirui	Special Needs	10/6/2022
13	Bismark Kiprono	Rep Students	10/6/2022

**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**

Ref:	Name of Committee	Names of Members	Designation	Number of Meetings attended during the year
1	Executive Committee	Albin Sang Nancy Rono Philip Bii Ezekiel Ngeno Rachel Keter	Chairman Vice Chairperson Secretary Member Member	2
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Ezekiel Ngeno Ednah Bore Edward Nganga Judy Koskei Sally Koech	chairman Member Member Member Member	1
4	Academic Committee	Joseph Kirui Brandy Koskey Peter Chepchilat John Ngetich Winnie Korir Ismael Maritim	Chairman Member Member Member Member Member	

5	Development/Infrastructure Committee	Winnie Korir John Korir Albin Sang Ezekiel Ngeno Philip Bii	Chairlady Member Member Member Member	1
6	Discipline, Ethic & Integrity Committee	Brandy Koskey Ismael Maritim Rael Keter Peter Chepchilat John Korir Joseph Kirui	Chairlady Member Member Member Member Member	
7	Human Rights and students welfare committee	Edward Nganga Brandy Koskey John Ngetich Judy Koskey Nancy Rono Ednah Bore	Chairman Member Member Member Member Member	

#### School operation Management

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Philip Bii	347183
2	Deputy Principal	Canute Ndunde	363905
3	School Bursar	Samson Keter	

#### (d) Schools contacts

Post Office Box: 45-20152

Telephone: 0724387497

E-mail:

Website: [moiamalosecondary@yahoo.com](mailto:moiamalosecondary@yahoo.com)

Facebook: Twitter:

**School Bankers**

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Access bank  
Branch: Olenguruone  
Account Number: 0090100000096
2. Name of Bank: Access bank  
Branch: Olenguruone  
Account Number: 0090230001502
3. Name of Bank: Access bank  
Branch: Olenguruone  
Account Number: 0090100000055
4. Name of Bank: Access bank  
Branch: Olenguruone  
Account Number: 0090100000039
5. Name of Bank: Access bank  
Branch: Olenguruone  
Account Number: 0090100000137
6. MPESA Pay Bill No. 862862 attached to 0090100000096 bank account

**Independent Auditors**

Office of the Auditor General  
Anniversary Towers,  
Monrovia Street,  
P.o Box 30084-00100  
NAIROBI

**I. 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:***- Surplus/deficit for the last three years*

ACCOUNT	2021/2022		2021		2020	
	Amount In Kshs.	Surplus/ Deficit	Amount In Kshs.	Surplus/ Deficit	Amount	Surplus/ deficit
School Fund	6,079,999	surplus	90,816	Surplus	200,421	Surplus
Tuition	593,651	Deficit	1,141,934	Deficit	443,945	Deficit
Operation	858,742	Deficit	2,179,947	Deficit	509,087	Deficit
<b>Totals</b>	<b>4,627,606</b>	<b>Surplus</b>	<b>3,231,065</b>	<b>Deficit</b>	<b>953,032</b>	<b>Deficit</b>

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

YEARS	2021/2022	2021	2020
TUITION	1,562,536	1,137,750	2,526,647
OPERATION	6,155,196	5,932,400	9,858,562

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

YEARS	2021/2022	2021	2020
TUITION	2,029	1501	3,334
OPERATION	7,994	7827	13,006

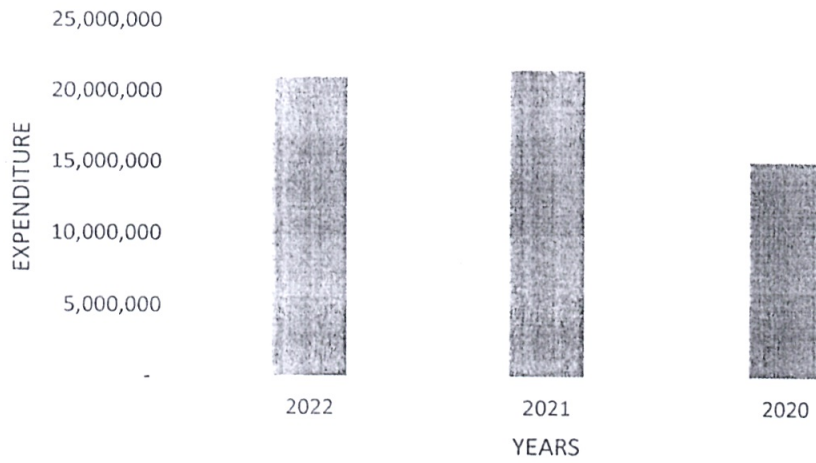
**GROWTH IN INCOME**

Years	Income (Ksh.)
2021/2022	27,093,287
2021	13,320,371
2020	15,184,062

*- GROWTH IN EXPENDITURE*

Year	Expenditure (Ksh.)
2021/2022	21,013,288
2021	21,535,752
2020	15,093,245

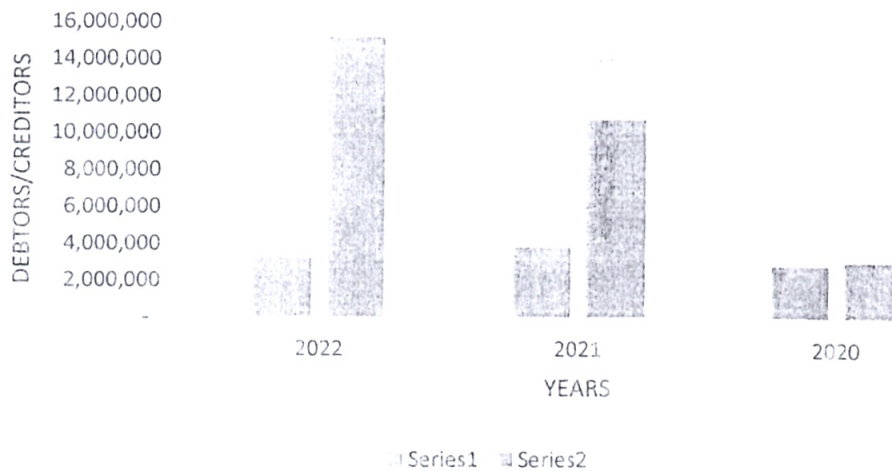
GROWTH IN EXPENDITURE



Movements of Debtors & Creditors

Year	Debtors (Ksh.)	Creditors (Ksh.)
2021/2022	3,204,829	15,165,182
2021	3,813,594	10,734,499
2020	2,842,655	3,067,649

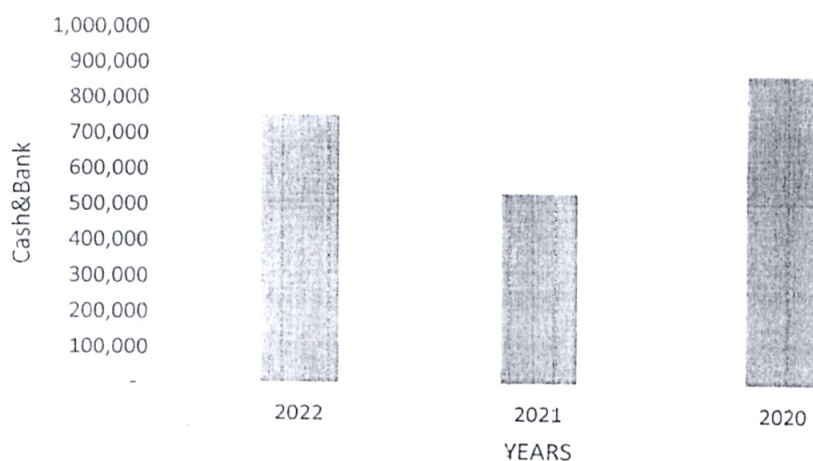
MOVEMENT OF DEBTORS AND CREDITORS



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

Year	Cash and bank Bals (Ksh.)
2021/2022	754,931
2021	536,413
2020	871,807

Cash And Bank Balance



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).

b) Teacher Student ratio:

YEAR	STUDENT/TEACHER RATIO
2022	1:22
2021	1:21
2020	1:21

c) Mean score in the 2021 KCSE:

YEAR	ENROLMENT	Number students transitioned to Higher learning Institution	PERFORMANCE/GRADE
2021	166	160	5.3313 C Plain
2020	137	120	5.8487 C Plain
2019	124	160	6.0725 C Plain

d) Number of Candidates in the 2019- 2021 KCSE:

YEAR	ENROLMENT
2021	166
2020	137
2019	124

e) Capacity of the school:

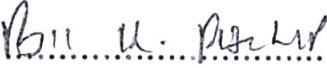
f) 788 students

f) Development projects carried out by the school: Number of students as at 30<sup>th</sup> June 2022-

FACILITIES

Dormitories	4
Dining Hall	1
Laboratories	5
Toilets	19
Classrooms	16
Staffrooms	13

Signature.....

School Principal ...

## 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 (PSASB) 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 **MOI-AMALO 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, 2022, and of the school's financial position as at that date.

Name: ALVIN SONGO  
Designation: Chairman, School Board of Management  
Date: 24/9/24

Name: BENJAMIN MURIEL  
Designation: School Principal & Secretary to Board of Management  
Date: 27/9/24

Name: SAMSON KETER  
Designation: Bursar/ Finance Officer  
Date: 23/09/2024

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MOI AMALO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - NAKURU COUNTY**

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### 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 the intended purpose.
- 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 Moi Amalo Secondary School - Nakuru County set out on pages 11 to 28, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for

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*Report of the Auditor-General on Moi Amalo Secondary School for the year ended 30 June, 2022 - Nakuru County*

the year 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 Moi Amalo Secondary School – Nakuru County as at 30 June, 2022, 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 Basic Education Act, 2013.

### Basis for Qualified Opinion

#### 1. Inaccuracies in Comparative Balances

The financial statements reflect balances which differs with the amounts reflected in the audited financial statements as at 30 June, 2022 as tabulated in the table below: -

Item Description	Financial Statements Closing Balance as at 30 June, 2021 (Kshs)	Financial Statements Opening Balance as at 1 July, 2021 (Kshs)	Variance (Kshs)
<b>Statement of Receipts and Payments</b>			
Payments for Operations	6,099,022	7,099,022	(1,000,000)
Boarding and School Fund Payments	12,894,964	14,911,944	2,016,980
Total Payments	21,535,782	24,552,762	(3,016,980)
<b>Statement of Financial Assets and Liabilities</b>			
Accounts Payable	7,489,476	10,506,456	(3,016,980)
Net Financial Assets	3,748,234)	6,765,214	3,016,980
Surplus/Deficit for the year	1,087,114	1,929,866	3,016,980
<b>Statement of Cash Flows</b>			
Adjustment increase/ Decrease of creditors	1,987,733	(1,029,247)	3,016,980

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

## 2. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.754,931 as disclosed in Notes 6 and 7 to the financial statements. Included in this balance are tuition, operations, school fund account/boarding and infrastructure account balances of Kshs.88,642, Kshs.168,181, Kshs.330,813 and Kshs.2,760, respectively. However, the balances were not supported by cash books, board of survey reports and bank reconciliation statements.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.754,931 could not be confirmed.

## 3. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

Examination of the statement of budgeted versus actual amounts revealed the following inaccuracies;

Item Description	Statement Amount (Kshs)	Omitted or Computed Amount (Kshs)	Variance Amount (Kshs)
Capitation Grant on Tuition	-	76,894	(76,894)
Grant on Operations Utilisation Difference	12,048,404	12,045,404	3,000
Fees Charged on Parents-Final Budget	21,908,000	9,320,000	12,588,000
Fees Charged on Parents-Actual Amount	7,985,167	3,720,531	4,264,636
Fees Charged on Parents - Utilisation Difference	13,922,833	5,599,469	8,323,364
Total Income – Final Budget	31,228,000	24,951,616	6,276,384
Total Income – Actual Amount	11,471,695	7,229,819	4,241,876
Total Income – Utilisation Difference	19,288,302	17,652,562	1,635,740

In the circumstances, the completeness and accuracy of the statement of budgeted versus actual amounts could not be confirmed.

## 4. Differences between the Financial Statements and the Ledger

Review of the financial statements revealed differences with the ledger as indicated below: -

Item Description	Amount as Per Financial statement (Kshs)	Amount as Per Ledger (Kshs)	Variance (Kshs)
<b>Operation</b>			
Creditors	928,430	1,118,090	189,660
Personal emoluments	1,456,765	3,187,690	1,730,925

Item Description	Amount as Per Financial statement (Kshs)	Amount as Per Ledger (Kshs)	Variance (Kshs)
<b>Boarding and School Fund Payments</b>			
Boarding	7,961,344	3,609,833	4,351,511
Bus A/C	11,200	73,300	62,100
Creditors	1,046,570	3,865,139	2,818,569
Damages	150,000	7,300	142,700
Farm A/c		70,000	70,000
NHIF	83,600	153,200	69,600
NSSF	93,600	262,250	168,650
School Fund-Tuition A/C	350,000	60,000	290,000
School Fund 002-009	1,420,000	5,650,000	4,230,000
<b>Tuition Account</b>			
Creditors	1,424,015	1,477,000	52,985
Tuition	426,680	52,775	373,905

No explanation or reconciliation was provided for the differences.

Further, variances were noted between statement of receipts and payments statement of budgeted versus actual amounts which were not explained as indicated below: -

Item Description	Statement of Receipts and Payments (Kshs)	Statement of Budgeted Versus Actual Amounts (Kshs)	Variance (Kshs)
Capitation Grants for Tuition	1,562,536	1,234,692	327,844
Capitation Grants for Operations	6,155,196	2,274,596	3,880,600

In the circumstances, the accuracy of the financial statements could not be confirmed.

## 5. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,562,536 and Kshs.6,155,196 as disclosed in Notes 1 and 2 to the financial statements respectively. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed amounts of Kshs.2,228,226 and Kshs.9,794,667 whereas the NEMIS capitation reflects amounts of Kshs.2,227,506 and Kshs.9,791,067, resulting to an unexplained variances of Kshs.720 and Kshs.3,600 respectively. Further, comparison of banks statements and the financial statements revealed amounts of Kshs.2,227,506 and Kshs.9,791,067, resulting to unexplained variances of Kshs.664,970 and Kshs.3,635,871 respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.1,562,536 and Kshs.6,155,196 respectively could not be confirmed.

## **6. Failure to Transfer Infrastructure Funds and Non-Disclosure in the Financial Statements**

The statement of receipts and payments reflects operations grants amount of Kshs.6,155,196 as disclosed in Note 2 to the financial statements against the amount of Kshs.9,794,667 reflected in NEMIS records from the Ministry of Education credited in the operations bank account. The amount of Kshs.9,794,667 includes Kshs.3,731,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.1,200,000 was transferred to infrastructure account, leaving a balance of Kshs.2,531,500 not transferred as at 30 June, 2022. 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 and maintenance and improvement funds be transferred to the School infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

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

## **7. Irregular Encashment of Cheques on the School's Operation and Infrastructure Bank Accounts**

The statement of receipts and payments reflects capitation for operations Kshs.6,155,196 as disclosed in Note 2 to the financial statements. However, audit review of the School's operations and infrastructure bank account statements and the cheque counterfoils revealed that cheques amounting to Kshs.2,209,000 were encashed and the withdrawn amounts were not included in the ledgers presented for audit. Although the withdrawn amounts were explained as petty cash, memorandum cash book showing petty cash transactions was not provided for audit, contrary to Regulation 91(14) of the Public Finance Management (National Government) Regulations, 2015 which requires the holder of a standing imprest to keep a memorandum cash book to record all receipts and payments and the balances on hand to agree with the cash balance recorded in the cash book.

Further, the School Board of Management minutes approving the withdrawal of funds from operations and infrastructure bank accounts were not provided for audit review, contrary to Sub-Section 3.1.4 of the Operational Manual for Utilization of Learner Capitation Grant on Utilization of Funds which requires All signatories to the school bank accounts to be notified before funds are withdrawn for utilization and the budget item to be approved by the Board of Management through minutes.

In addition, the financial statements show under Note 2 inter-account borrowing from the Boarding Account into the operations account amounting to Kshs.3,880,000 during the year under review. However, the respective Board of Management minutes approving the inter-account borrowings were not provided for audit review.

In the circumstances, regularity of the cash withdrawals and funds transfers from school fund/boarding account of Kshs.2,209,000 could not be confirmed and the School Management was in breach of the law.

## **8. Unsupported Other Receipts**

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects other receipts totalling Kshs.9,639,073 which include bursary amount of Kshs.2,052,679. However, bursary records including acknowledgement receipts of the bursaries by the School, list of students issued with the bursaries, donors or financiers and ledgers were not provided for audit. Further, the actual bursary receipt is not reflected in the statement of budgeted versus actual amounts.

In the circumstances, the accuracy and completeness of bursary amount of Kshs.2,052,679 could not be confirmed.

## **9. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.8,920,375 in respect of fees arrears as disclosed in Note 9 to the financial statements. Included in the balance are receivables amounting to Kshs.3,204,829 which had been outstanding for more than one(1) year. 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 and full recoverability of the outstanding receivables balance of Kshs.8,920,375 could not be confirmed.

## **10. Authenticity of Accounts Payables**

### **10.1 Variances in Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.11,812,914 as disclosed in Note 10 to the financial statements. However, the balance varies with recomputed amount of Kshs.6,631,525 reflected at Annex 1 to the financial statements, resulting to an unexplained and unreconciled variance of Kshs.5,181,389.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.11,812,914 could not be confirmed.

### **10.2 Long Outstanding Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 10 to the financial statements reflects payables balance of Kshs.11,812,914. However, included in the balance are trade payables amounting to Kshs.9,339,701 which had been outstanding for more than two (2) years. 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(s) are reflected in approved budget estimates'.

Further, the payables balance of Kshs.11,812,914 includes prepaid fees amounting to Kshs.451,133. However, the schedule of the students who had prepaid fees was not provided and therefore the accuracy of Kshs.451,133 could not be confirmed.

In addition, supporting documents such as local purchase/service orders, delivery notes, goods received notes, invoices, inspection and acceptance certificates, completion certificates, approvals and minutes were not provided for audit.

In the circumstances, the accuracy and occurrence of the accounts payables balance of Kshs.11,812,914 could not be confirmed.

### **10.3 Unsupported Accounts Payables Payments**

The financial statements and Note 4 reflect payments for tuition Kshs.2,156,187 which includes payments to creditors amounting to Kshs.1,424,015. However, the items paid for were not disclosed and respective payment vouchers were not provided for audit.

In the circumstances, the accuracy, completeness and occurrence of the tuition payments amounting to Kshs.2,156,187 could not be confirmed

### **11. Unsupported Procurement Payments**

The statement of receipts and payments reflects operations payments amounting to Kshs.7,013,938 as disclosed in Note 5 to the financial statements. However, examination of payment vouchers revealed that Management made payments amounting to Kshs.990,000 without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the accuracy, completeness and occurrence of the operations payments amounting to Kshs.990,000 could not be confirmed.

### **12. Misclassification of Bursary Receipts**

The financial statements reflect under Note 3 other receipts amounting to Kshs.9,639,073. The amount of other receipts include bursaries received as fees amounting to Kshs.2,052,679 which was incorrectly classified in the financial statements under other receipts instead of being classified under parents' contribution/fees.

In the circumstances, the accuracy and completeness of other receipts amounting to Kshs.9,639,073 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Moi Amalo 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.24,951,616 and Kshs.7,229,819 respectively,

resulting to an under-funding of Kshs.19,756,305 or about 71% of the budget. However, the School spent a balance of Kshs.12,107,539 against actual receipts of Kshs.7,229,819 resulting to over-utilization of Kshs.4,877,720 or 67% of actual receipts.

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 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.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

#### **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. Unbalanced Budget**

The statement of budget versus actual amounts reflects final budgeted income and expenditure of Kshs.46,859,616 and Kshs.16,198,989 respectively, resulting to a variance of Kshs.30,660,627 which indicates that the budget is not balanced, contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced'.

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

## **2. Failure to Prepare School Improvement Plan**

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

## **3. Under Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,562,536 and Kshs.6,155,196 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total of seven hundred and seventy (770) students while the enrolment records provided by the School indicated a total of seven hundred and eighty-eight (788) students, resulting to an unexplained variance of eighteen (18) students. As a result of the variances, the School was underfunded by an amount of Kshs.180,415.

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

## **4. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.7,717,732. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021/2022, NEMIS reflected seven hundred and seventy (770) students while records from the County Director of Education had seven hundred and eighty-eight (788) students, resulting to an underfunding of the School by an amount of Kshs.180,415. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16<sup>th</sup> 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.

## **5. Irregular Recruitment of Board of Management Teachers**

Review of personnel records revealed that the School Management recruited two (2) Board of Management teachers. However, the School did not have an approved staff establishment plan to inform the hiring/recruitment need. Further, the recruitment process was not supported by any documentary evidence, contrary to Section 37(1) of the Public Service Commission Act, 2017 which provides that where a vacancy in a public office is to be filled, the Commission or authorized officer shall invite applications by advertising

the vacancy in the School's website, at least one daily newspaper of nationwide coverage, the radio and other modes of communication, so as to reach as wide a population of potential applicants as possible.

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

## 6. Irregular Increase in School Fees

The financial statements and Note 3 reflects parents contribution/fees-school fund account of Kshs.17,454,214. However, comparison of the total annual fees charged against the fees as per the MOE Guidelines on Category B Extra County Schools revealed variances as detailed below:

	Term 1 Fees	Term 2 Fees	Term 3 Fees	Total Annual Fees Charged	Fees as Per MOE Guidelines	Variance
Class	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Form 1	19,835	13,950	6,800	40,585	35,000	5,585
Form 2	21,585	14,000	7,500	43,085	35,000	8,085
Form 3	21,585	14,000	7,500	43,085	35,000	8,085
Form 4	25,585	17,500	0	43,085	35,000	8,085

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

## 7. Procurement Issues

### 7.1 Failure to Prepare Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.34,811,019 and Kshs.30,183,413 in respect of total receipts and payments respectively. 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.

### 7.2 Failure to Use Standard Procurements Documents

An audit carried out on the procurement documents used in the year under review revealed that the documents were not compliant with Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer of a procuring school to use standard procurement and asset disposal documents issued by the Public Procurement Regulatory Authority in all procurement and asset disposal proceedings. The missing standard tender documents included physical address, location, Kenya Revenue Authority Personal Identification Number, audited financial statements, Company Directors, and Date of incorporation among others.

In addition, the suppliers/contractors' tender documents did not indicate the prices of goods and services to be procured.

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

### **7.3 Irregularities in the Procurement of Goods and Services**

Examination of procurement records revealed the School Management did not prepare and sign contracts between the School and the suppliers of goods and services including supply of cereals, vegetables and meat contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015 which requires a written contract to be entered within the period specified in the notification and to be signed within the tender validity period.

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

### **7.4 Procurement from Non-registered Suppliers**

Examination of procurement records revealed that the School procured goods and services amounting to Kshs.740,000 from suppliers who were not in the prequalified list of suppliers, contrary to Section 106(2)(a) of the Public Procurement and Assets Disposal Act, 2015.

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

### **7.5 Lack of Tender Opening and Evaluation Committee Signed Minutes**

Examination of provided procurement records revealed the following irregularities: -

- (i) Lack of tender opening minutes signed by the tender opening committee members.
- (ii) Lack of tender evaluation minutes.
- (iii) Lack of duly signed contracts between School and suppliers/contractors for the awarded School's suppliers of goods and services.
- (iv) Failure to advertise procurement tenders on the notice board or nearby county offices.

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

## **8. Non-Compliance with the Public Sector Accounting Standards Board Requirements**

Review of the financial statements submitted for audit revealed the followings inconsistencies;

- (i) Numbering of items in the table of contents is not chronological as it starts with roman III while romans I and IV appear twice.
- (ii) The table of contents also indicates that items I to III are explained at pages 1 to 10 instead of roman page numbers.

- (iii) Audit committee members are not disclosed under committees of the board.
- (iv) No disclosure has been made on whether there were projects carried out or ongoing during the year under review.
- (v) Page numbers are not indicated from the table of contents to the statement of cash flows.
- (vi) Various Notes refer to 2022-2021 instead of 2021-2022.
- (vii) The reference notes for payments for tuition, payments for operations, boarding and school fund payments and all the notes in the statement of financial assets and financial liabilities do not correspond with the Notes.

In the circumstances, the financial statements prepared and presented for audit did not comply with the Public Sector Accounting Standards Board Reporting template.

### **9. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 17 February, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2022 in compliance with 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.

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

#### **Basis for Conclusion**

##### **Incomplete Fixed Assets Register**

The financial statements show at Annex 2 a Summary of Fixed Assets Register. However, the School did not maintain a fixed assets register in a format that indicates the

description, financier, serial/log book number, acquisition date, value, location, opening balances, additions or disposals during the year and the closing balances. Instead, a stores ledger was kept, contrary to Regulation 143 (1) of Public Finance Management (National Government) Regulations, 2015 prescribes that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

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 the 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 control, 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 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 controls 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 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 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 to 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

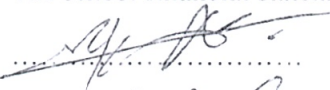
Nairobi

24 September, 2024

IV. Statement of Receipts and Payments Period to 30<sup>th</sup> June 2022

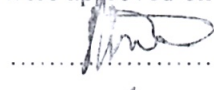
DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020 - 2021
		Kshs.	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,562,536.00	2,121,879
Capitation grants for operations	2	6,155,196.00	7,180,646
School Fund Income- Parents' Contributions	3	17,454,214.00	7,819,531
School Fund Income- Other receipts	4	9,639,073.00	5,500,840
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>34,811,019.00</b>	<b>22,622,896</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,156,187.00	2,541,796
Payments for operations	6	7,013,938.00	7,099,022
Boarding and school fund payments	7	21,013,288.00	14,911,944
<b>TOTAL PAYMENTS</b>		<b>30,183,413.00</b>	<b>24,552,762</b>
<b>SURPLUS/DEFICIT</b>		<b>4,627,606.00</b>	<b>(1,929,866)</b>

The school financial statements were approved on \_\_\_\_\_ 2022 and signed by:



Name: A. R. Sany  
Chair BOM

Date: 22/9/2022



Name: N. R. Mwalu  
Principal/Secretary BOM

Date: 22/9/2022



Name: Samson Kete  
Bursar/Finance Officer

Date: 23/09/2022

III. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2022

	Note	2021-2022	2020 - 2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	590,396.00	499,520
Cash Balances	9	164,535.00	36,893
Short term Investment	10	-	-
<b>Total Cash and Cash Equivalents</b>		<b>754,931.00</b>	<b>536,413</b>
Account's receivables	11	8,920,375.00	3,204,829
<b>TOTAL FINANCIAL ASSETS</b>		<b>9,675,306.00</b>	<b>3,741,242</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	11,812,914.00	10,506,456
<b>NET FINANCIAL ASSETS</b>		<b>(2,137,608.00)</b>	<b>(6,765,214)</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd. 1st July...	13	(6,765,214.00)	(4,835,348)
Surplus/Deficit for the year		4,627,606.00	(1,929,866)
<b>NET FINANCIAL POSITION</b>		<b>(2,137,608.00)</b>	<b>(6,765,214)</b>

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

Name: A. A. Sany

Chair BOM

Date: 22/9/2022

Name: N. N. N. N.

School Principal/ Secretary to BOM

Date: 22/9/2022

Name: SAMSON KETER

Bursar/ Finance Officer

Date: 22/9/2022

IV. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2022

		2021-2022	2020 - 2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Capitation grants for tuition	1	1,562,536.00	2,121,879.00
Capitation grants for operations	2	6,155,196.00	7,180,646.00
School fund income- Parents contributions/ fees	3	17,454,214.00	7,819,531.00
School fund income- other receipts	4	9,639,073.00	5,500,840.00
Adjustment increase/Decrease of Debtors		(5,715,546.00)	1,566,045.00
<b>Total receipts</b>		<b>29,095,473.00</b>	<b>24,188,941.00</b>
<b>Payments</b>			
Payments for Tuition	5	2,156,187.00	2,541,796.00
Payments for operations	6	7,013,938.00	7,099,022.00
Boarding and school fund payments	7	21,013,288.00	14,911,944.00
Adjustment increase/Decrease of creditors		(1,306,458.00)	(1,029,247.00)
		<b>28,876,955.00</b>	<b>23,523,515.00</b>
<b>Net cash flow from operating activities</b>		<b>218,518.00</b>	<b>665,426.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			-
Acquisition of Assets			-
Proceeds from investments			-
<b>Net cash flows from Investing Activities</b>			-
<b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flows from Investing Activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>218,518.00</b>	<b>665,426.00</b>
Cash and cash equivalent at BEGINNING of the year		<b>536,413.00</b>	<b>(129,013.00)</b>
Cash and cash equivalent at END of the year		<b>693,429.97</b>	<b>536,413.00</b>

Name: *A. N. Sang*

Name: *B. R. ...*

Name: *Samson K. ...*

Chair BOM

School Principal/ Secretary to BOM

Bursar/ Finance Officer

Date: *24/9/24*

Date: *24/9/24*

Date: *22/9/24*

V. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>						
<b>1) Capitation Grant on Tuition</b>						
Materials			0		0	#DIV/0
Exercise Books			0		0	#DIV/0
Laboratory equipments	808,042		808,042	808,042	0	100%
Internal Exams					0	#DIV/0
Teaching / Learning Materials						#DIV/0
Tuition	503,574		503,574	426,680	0	#DIV/0
Exams And Assessment					0	#DIV/0
Teachers Guides					0	#DIV/0
<b>TOTALS</b>	<b>1,311,616</b>		<b>1,311,616</b>	<b>1,234,692</b>		
<b>2) Grant on Operations</b>						
Personnel Emoluments	4,000,000		4,000,000	770,000	3,230,000	19.25
Repairs And Maintenance	4,000,000		4,000,000	770,000	3,230,000	19.25
Local Transport / Travelling	1,200,000		1,200,000		1,200,000	0
Electricity And Water	1,120,000		1,120,000	231,000	889,000	20.625
Medical /NHIF	1,600,000		1,600,000	154,000	1,446,000	9.625
Administration Costs	1,200,000		1,200,000	195,580	1,004,420	16.298333
Activity	1,200,000		1,200,000	154,016	1,045,984	12.834666
<b>TOTALS</b>	<b>14,320,000</b>		<b>14,320,000</b>	<b>2,274,596</b>	<b>12,048,404</b>	
Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>3) Fees Charged on Parents</b>						

**MOI-AMALO SECONDARY SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Personnel Emoluments	3,200,000	0	3,200,000	1,092,077	2107923	34.12740
Repairs And Maintenance	1,920,000	0	1,920,000		1920000	0
Local Transport / Travelling	1,120,000	0	1,120,000	310,015	809985	27.67991
Electricity And Water	1,160,000	0	1,160,000	1,190,350	-30350	102.6163
Medical		0	-		0	#DIV/0
Administration Costs	880,000	0	880,000	871,914	8086	99.08113
Activity	1,040,000	0	1,040,000	256,175	783825	24.63221
Gas		0	-		0	#DIV/0
Fee On Boarding equipment and stores	21,908,000	0	21,908,000	7,985,167	13922833	36.44863
<b>Other Income</b>					0	#DIV/0
Interest Income		0	-		0	#DIV/0
Income From Farming activities		0	-	210,000	-210000	#DIV/0
Insurance Compensation		0	-		0	#DIV/0
Income From Posho Mill		0	-		0	#DIV/0
Income From Bus Hire		0		24,000	-24000	#DIV/0
Fee For Hire of Ground and Equipment		0	-		0	#DIV/0
Interest Income		0	-		0	#DIV/0
Income From Any Other		0	-		0	#DIV/0
Investment		0	-		0	#DIV/0
<b>TOTAL INCOME</b>	<b>31,228,000</b>		<b>31,228,000</b>	<b>11,471,695</b>	<b>19,288,302</b>	
<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actuals</b>	<b>Budget</b>	<b>Variance</b>
<b>Total Income</b>						
<b>Expenditure For</b>						
<b>ation</b>						

**MOI-AMALO SECONDARY SCHOOL**

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Textbooks And Reference		0	-		0	#DIV/0!
Materials		0	-		0	#DIV/0!
Exercise Books		0	-		0	#DIV/0!
Laboratory Equipment Furniture	426,680	0	426,680	426,680	0	100
Internal Exams		0	-		0	#DIV/0!
Teaching / Learning Materials	300,850	0	300,850	300,850	0	100
Chalks		0	-		0	#DIV/0!
Exams And Assessment		0			0	#DIV/0!
Teachers Guides		0			0	#DIV/0!
Administration Costs		0			0	#DIV/0!
Bank Charges	4,462	0	4,462	4,462	0	100
TOTAL	731,992	0	731,992	731,992	0	#DIV/0!
<b>2) Expenditure For Operations</b>		0			0	#DIV/0!
Personnel Emoluments	1,456,765	0	1,456,765	1,456,765	0	100
Repairs Maintenance & imp		0		527,450	-527,450	#DIV/0!
Local Transport / Travelling	366,500	0	366,500	366,500	0	100
Electricity, Water and Conservancy	274,000	0	274,000	274,000	0	100
Medical	53,420	0	53,420	53,420	0	100
Administration Costs	752,773	0	752,773	752,773	0	100
Activity Expenses	456,000	0	456,000	456,000	0	100

Receipt/Expenses from	Budget	Actual	Budget	Actual on Comparative basis	Percentage	% of
	a	b	c=a-b	d	e=d/c	f=d/c
	Kshs	Kshs		Kshs		%

**MOI-AMALO SECONDARY SCHOOL**

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Gratuity		0				
Gratuity		0				
TOTALS	3,359,458		3,359,458	3,886,908		
<b>3) Expenditure For School Fund</b>						
Personnel Emoluments	2,752,065	0	2,752,065	2,752,065	0	100
Repairs, Maintenance and	124,800	0	124,800	124,800	0	100
Local Transport / Travelling	658,000	0	658,000.0	658,000.0	0	100
Electricity, Water and Conservancy	150,000	0	150,000	150,000	0	100
Medical Expenses	1,850	0	1,850	1,850	0	100
Administration Costs	254,480	0	254,480	254,480	0	100
Activity	205,000	0	205,000	205,000	0	100
Gratuity		0			0	#DIV/0!
Boarding Equipment and Stores	7,961,344	0	7,961,344	7,961,344	0	100
Other Exp ON Investments		0			0	#DIV/0!
Interest Expenses		0			0	#DIV/0!
Bank Charges		0			0	#DIV/0!
Loan Interest Repayment		0			0	#DIV/0!
Loan Principal Repayment		0			0	#DIV/0!
Acquisition Of Assets		0			0	#DIV/0!
TOTALS	12,107,539	0	12,107,539	12,107,539		#DIV/0!

- I. The revenue collection from the school fund was not collected fully hence there were arrears at the close of the year.
- II. The government funding was not fully funded.

## 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* recognizes 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* recognizes 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, impress and advances to authorized 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 2022.

## VII. Notes to the Financial Statements

## 1 Capitation Grant for Tuition

		2021-2022	2020-2021
		Kshs	Kshs
Tuition		503,574.00	679,845.00
Laboratory equipment and apparatus		808,042.00	
Teaching/learning materials			682,034.00
Inter account borrowing operation			700,000.00
Library materials/Reference		920.00	
borrowing boarding		250,000.00	60,000.00
<b>Total</b>		<b>1,562,536.00</b>	<b>2,121,879.00</b>

## 2 Capitation Grant for Operations

		2022-2021	2020-2021
		Kshs	Kshs
EWC		231,000.00	513,100.00
LT @T			513,100.00
RMI		770,000.00	2,666,500.00
Personal emolument		770,000.00	1,590,200.00
Admin cost		195,580.00	507,746.00
Activity		154,016.00	
Medical and insurance			
Infrastructure Grant			
NHIF		154,000.00	
Contingencies		600.00	
Inter Account Borrowing-Boarding		3,880,000.00	1,390,000.00
<b>Total</b>		<b>6,155,196.00</b>	<b>7,130,646.00</b>

3.parents Contribution/Fees - School Fund Account

	2022-2021	2020-2021
	Kshs	Kshs
BES/Lunch program	7,985,167.00	6,058,165.00
Arrears	5,748,516.00	
EWC	1,190,350.00	
LT&T	310,015.00	
ACTIVITY	256,175.00	
ADMIN COSTS	871,914.00	656,531.00
Personal emolument	1,092,077.00	1,104,835.00
<b>Total</b>	<b>17,454,214.00</b>	<b>7,819,531.00</b>

Notes to the Financial Statements (Continued)

3 Other Receipts – School Fund Account

	2022-2021	2020-2021
	Kshs	Kshs
Electricity, water & C		1,188,784.00
Bursary	2,052,679.00	353,360.00
Repairs and Maintenance	569,840.00	702,660.00
Academic improvement	1,125,039.00	579,856.00
Medical	429,005.00	60,080.00
Activity		265,425.00
NSSF		150,000.00
uniform	2,461,995.00	303,350.00
School fund 002-	1,830,000.00	
Income from farming activities-farm	210,000.00	
Bursary		1,833,425.00
Income from Bus Hire	24,000.00	53,400.00
Damages	936,515.00	10,500.00
<b>Total</b>	<b>9,639,073.00</b>	<b>5,500,840.00</b>

**4 Payments For Tuition**

	2021-2022	2020-2021
Text books		1,350.00
Teaching/learning materials	300,850.00	204,900.00
CREDITORS	1,424,015.00	2,285,271.00
Tuition	426,680.00	50,275.00
Bank charges	4,642.00	
<b>Total</b>	<b>2,156,187.00</b>	<b>2,541,796.00</b>

**5 Payments For Operations**

	2022-2021	2020-2021
	Kshs	Kshs
EWC	274000.00	95,850.00
LT @T	366,500.00	485,210.00
RMI	527,450.00	214,130.00
Personal emolument	1,456,765.00	3,187,690.00
Administration	730,273.00	586,374.00
Medical	53,420.00	87,893.00
Activity	456,000.00	24,820.00
creditors	928,430.00	1,056,040.00
NHIF	55,000.00	
Bank charges	22,500.00	11,015.00
Inter Borrowing-Tuition	130,000.00	700,000.00
Inter Borrowing-Boarding	2,013,600.00	650,000.00
<b>TOTAL</b>	<b>7,013,938.00</b>	<b>7,099,022.00</b>

**Notes to the Financial Statements (Continued)**

**6 Boarding And School Fund Payments**

	2022-2021	2020-2021
	Kshs	Kshs
Bursary	771,764.00	1,837,425.00
Local Travel and transport	658,000.00	
Inter-Account Borrowing-Operation	3,180,000.00	1,390,000.00
Personnel emoluments	2,752,065.00	1,105,680.00
Academic improvement	1,189,865.00	1,094,925.00
Repairs and maintenance & imp.	124,800.00	60,000.00

Electricity and water		150,000.00	176,000.00
uniform		509,150.00	314,590.00
Medical and insurance		1,850.00	
Activity		205,000.00	
Administration costs		254,480.00	247,650.00
borrowings -infra			510,000.00
Bank Charges			12,000.00
Income Generating Activities(sfarm)			70,000.00
Fee on Boarding Equipment and Stores		7,961,344.00	4,609,414.00
Creditors		1,046,570.00	2,981,410.00
Prepaid		-	73,300.00
Bus hire		11,200.00	
School fund 002		1,420,000.00	
NHIF		83,600.00	
Damages		150,000.00	7,300.00
nssf		93,600.00	262,250.00
borrowings-tuition		350,000.00	60,000.00
<b>TOTAL</b>		<b>21,013,288.00</b>	<b>14,911,944.00</b>

**(Bank Accounts)**

Name of Bank Account No. & currency	Bank Account Number	2022-2021 Kshs	2020-2021 Kshs
Tuition Account		88,642.00	392,628.00
Operations Account		168,181.00	37,406.00
School Fund Account/Boarding		330,813.00	12,762.00
Savings Account			56,724.00
Infrastructural Account		2,760.00	
Farm Account			
<b>Total</b>		<b>590,396.00</b>	<b>499,520.00</b>

**7 cash In Hand**

Description	2021-2022 Kshs	2020-2021 Kshs
Tuition Account	-	6,475

Operation Account	60,757	5,315
School Fund account	103,778	25,103
<b>Total</b>	<b>164,535</b>	<b>36,893</b>

**8 Short Term Investments**

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Other Investments	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

**9 Accounts Receivable**

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	8,920,375	3,204,829
Other Non-Fees Receivables	-	-
Salary Advances	-	-
<b>Total</b>	<b>8,920,375</b>	<b>3,204,829</b>

*An ageing of the fees / non fees arrears table*

Description	2022-2021	2020-2021
	Kshs	Kshs
Fees arrears for current year-2022	5,748,516.00	
Fees arrears for the previous year-	3,204,829.00	3,813,594.00
fees recovered	(32,970.00)	(1,566,045.00)
Fees arrears for prior periods (over two years)		957,280.00
<b>Total</b>	<b>8,920,375.00</b>	<b>3,204,829.00</b>

**10 Accounts Payable**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	11,397,761	9,339,701
Prepaid Fees	415,133	1,166,755
Retention Monies	-	-
<b>Total</b>	<b>11,812,914</b>	<b>10,506,456</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for the current year	3,399,015	6,322,721.00
Trade creditors paid during the year	(1,340,935)	(6,460,229.00)
Trade creditors for the previous year		9,477,209.00
Trade creditors for prior periods (over two years)	9,339,701	
<b>Total</b>	<b>11,397,781</b>	<b>9,339,701.00</b>

**11 Fund Balance Brought Forward**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	499,520	(282,423)
Cash Balances	36,893	153,410
Short Term Investments	-	-
Receivables	3,240,829	4,770,874
Payables	10,506,456	9,477,209
<b>Total</b>	<b>(6,765,214)</b>	<b>(4,835,348)</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.

**12 Non-current Liabilities Summary**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
<b>Total</b>	0	0

**13 Biological assets**

Description	Number	2021-2022	2020-2021
		Kshs	Kshs
Cattle		24	19
Goats		0	0
Trees		1600	1500
Coffee Or Tea Plantation		0	0
<b>Total</b>		-	-

**14 Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	0	0

(Indicate actual name of the School)

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Other important disclosure notes**

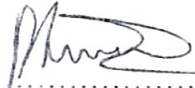
**15 Stock/ Inventory**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>b) Inventory</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>		

16 Progress On Follow Up Of Auditor Recommendations

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

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

Sign  Date 27/9/22  
 Principal

## Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid ToDate	Outstanding Balance 2022	Outstanding Balance 2022-6	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1. Akshar Hardwere	420,000				420,000	
2. Akash Hardwere	222,699				222,699	
3. Kiboss Hardware	378,030				378,030	
4. Kiptaa Glassmart	6,655				6,655	
5. Clifon Enterprise	88,830				88,830	
6 Neema Valve Mart	641,010				641,010	
7.Gmax engineering	250,000				250,000	
8. Leonard Kirui	4,250				4,250	
<b>Supply Of Goods</b>						
7. Arena Soaps	134,000				134,000	
Fig Educational supplies	260,000				260,000	
8 Computer World	21,475				21,475	
Lelgot Educational Supplies	352,350				352,350	

**AMALIO SECONDARY SCHOOL**  
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9	Christine chepkirui	53,000			53,000	
10	Christine Mwireria	13,000			13,000	
11	Faith Detergens	14,000			14,000	
12	Mercy Cherotich	60,000			60,000	
13	Evansboki Ent.	49,350			49,350	
14	Fig Edu. Supplies	201,120			201,120	
15	Tetlink Edu.supplies	20,000			20,000	
16	Rebbykon Investments	495,000			495,000	
17	Roycriss Ent.	88,000			88,000	
	<b>Sub-Total</b>					
	<b>Supply Of Services</b>					
18.	IDEAL GRAPHICS	3,000			3,000	
19.	Joshua Chimba	42,950			42,950	
	Raynets Ent.	160,000			160,000	
20	Barsalang Fire Ext	86,220			86,220	
	Wiffed Cheruiyot	65,200			65,200	
	Dysons solutions	53,000			53,000	
22	Excellent Stationers	345,621			345,621	
23	Daka School Supplies	619,840			619,840	
24	Strides Lab Supplies	332,865			332,865	
25	Elica stationers	303,900			303,900	

26. Ngem Computers	104,000				104,000	
27 Stream Line Concepts	266,640				266,640	
28 Lilian Cherotich	745,600				745,600	
29 Franciscan Sisters	100,036				100,036	
30 Patem Ent.	97,950				97,950	
31 Judith Chepkoech	92,640				92,640	
32 Sabwei Ent.	580,730				580,730	
33 Simendet Groceries	260,030				260,030	
34 Benard Kiprono	250,700				250,700	
35 Toroitich Agrovet	32,150				32,150	
36 Kims Ent.	276,900				276,900	
37 Joseph Mutai	86,790				86,790	
38 Lelgot Edu. Supplies	402,000				402,000	
39 Fame Traders	495,140				495,140	
40 Nancy Soy	26,000				26,000	
41 Rebecca Cheres	81,000				81,000	
42 Mercy Amoit	249,000				249,000	
43 Nancy Langat	68,500				68,500	
44 Wyclyffe Koskey	300,450				300,450	
45 Charles Kemboi	120,000				120,000	
46 Ann Chirchir	140,000				140,000	

26. Ngera Computers	104,000				104,000	
27 Stream Line Concepts	266,640				266,640	
28 Lilian Cherotich	745,600				745,600	
29 Franciscan Sisters	100,036				100,036	
30 Patem Ent.	97,950				97,950	
31 Judith Chepkoech	92,640				92,640	
32 Sabwel Ent.	580,730				580,730	
33 Sinendet Groceries	260,030				260,030	
34 Benard Kiprono	250,700				250,700	
35 Toroitich Agrovat	32,150				32,150	
36 Kims Ent.	276,900				276,900	
37 Joseph Mutai	86,790				86,790	
38 Lelgot Edu. Supplies	402,000				402,000	
39 Fame Traders	495,140				495,140	
40 Nancy Soy	26,000				26,000	
41 Rebecca Cheres	81,000				81,000	
42 Mercy Amoit	249,000				249,000	
43 Nancy Langat	68,500				68,500	
44 Wyclyffe Koskey	300,450				300,450	
45 Charles Kemboi	120,000				120,000	
46 Ann Chirochir	140,000				140,000	

47 Nelly Chepngetich	292,000				292,000	
48 Amani General Stores	447,600				447,600	
49 Jano Traders	41,360				41,360	
50 Wilfred cheruiyot	65,200				65,200	
Sub-Total						
Grand Total	11,397,781				11,397,781	

Annex 2 – Summary Of Fixed Assets Register

Asset Class		Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 June 2022
Land 1	1	21 Acres				
Land 2	1	22 Acres				
Buildings And Structures :classrooms	16	School compound				
- Dining Hall	1	School compound				
-Laboratories	5	School compound				
- Toilets	19	School compound				
offices	13	School compound				

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**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

	-Dormitories	4	School compound					
	Motor Vehicles -Bus	1	Bus room					
	Office Equipment, Furniture And fittings:-							
	-chairs	64	office					
	Chairs & Lockers	780	classrooms					
	movable decker Beds	400	Dormitories					
	- Tables	53	office					
	-Water Dispensers	2	office					
	-Speakers (public address)	2	office					
	ICT Equipment, And Other ICT Assets		Computer lab					
	Laptops	2	office					
	Printers	6	office					
	Desktops	32	office					
	CCT-Monitor	1	office					
	W1-5	1	office					
	projector	1	office					

**2021 - AMALIO SECONDARY SCHOOL**  
**Reports and Financial Statements For the year ended 30th June 2022**

Tools And Apparatus :									
- Jembes	10	Store							
-Axe	1	Store							
- Pangas	5	Store							
Textbooks		library							
Other Machinery And Equipment:									
- Posh mill	1	school							
- Bakery	1	school							
Tea-urns	4	school							
-Mower	1	school							
Heritage And Cultural Assets									
Intangible Assets- Soft Ware :Finance	1	office							
- Administration	1	office							
-Director Of Studies	1	office							
(DOS)									
<b>Total</b>									