

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 18 JUN 2026

DAY.

Thursday

TABLED
BY:

Hon. Samuel Chepkong'a
(on behalf of leaders of Majority)

CLERK-AT
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Lomale

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

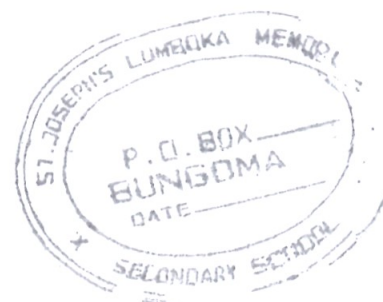
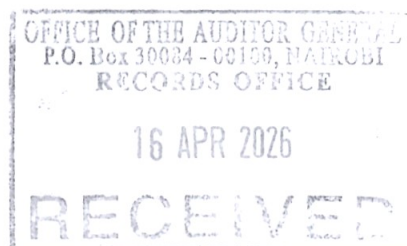
ON

ST. JOSEPH LUMBOKA MEMORIAL
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

BUNGOMA COUNTY

Revised 30th June 2022.



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

ST. JOSEPH'S LUMBOKA MEMORIAL SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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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 Bungoma County, Bumula Sub-County

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

The school is a day/boarding school and had 411 number of students as at 30th June 2022. It has 2 streams and 15 teachers of which 4 teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Khaemba Michael	Chairman	23/4/2022
2	Ms. Judith Mukasa	Secretary - Principal	„
3	Mr. Wafula Peter	Member	„
4	Mr. Masoso Micah	Member	„
5	Ms. Khaemba Bethsheba	Member	„
6	Mrs. Dorcas Juma	Member	„
7	Mr. Wepukhulu Edward	Member	„
8	Mr. Sikuku Dismus	Member – Rep CEB	„
9	Mr. Khaemba F. Protas	Member Rep Teachers	„
10	Mrs. Simiyu Alice, Maxeed Nakhumicha, Mr. Simiyu Isaac	3 Members - Sponsor	„
11	Mr. Muchuku Peter	Member - Community	
12	Mrs. Wanyonyi Gladys	Member Special Needs	„
	Antony Barasa	Rep Students	„

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

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	1.Mr. Khaemba Michael 2.Wesamba Manuel 3.Simiyu Alice 4.simiyu Isaac 5.Mukasa Judith	Chair Bom PA Chair Member Member Member	3
2	Audit Committee	Executive Members of BOM		1 out of 3
3	Finance,procurement and general purposes Committee	Executive Members of BOM		2 out of 3
4	Academic Committee	Simiyu Isaac Juma Dorcas Mukasa Judith Okwero Gladys	Chair Member Member DOS	2 out of 3

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5	Development Committee	Masoso Micah Khaema Protas Simiyu Alice Wesamba Manuel Mukasa Judith Odondi Ezra	Chair Secretary Member PA Chair Secretary BOM SCD	
6	Discipline and welfare Committee	Sikuku Dismus Khaemba Wesamba Wanyonyi Gladys Mukasa Judith	Chair Secretary PA Chair Member Member	
7	Adhoc Committee (if any during the year)	Mukasa Judith Wesamba Manuel other BOM MEMBERS	Secretary BOM PA Chair and two members	

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mukasa Judith	307937
2	Deputy Principal	Khaemba Protas	363154
3	School Bursar	Felistus Soita Khamala	N/A

KEY SCHOOL INFORMATION AND MANAGEMENT

(e) Schools contacts

Post Office Box: 2665-5022
Telephone: 0720686961
E-mail: lumbkamemoralsecschool@gmail.com.

(f) School Bankers

The following school operated 05 bank accounts in the following banks:

1. Name of Bank: CO-OPERATIVE
Branch: BUNGOMA
Account Number: 01139049916400
2. Name of Bank: CO-OPERATIVE
Branch: BUNGOMA
Account Number: 01139049916401
3. Name of Bank: CO-OPERATIVE
Branch: BUNGOMA
Account Number: 01139049916402
4. Name of Bank: CO-OPERATIVE
Branch: BUNGOMA
Account Number: 01129049916400
5. Name of Bank: CO-OPERATIVE
Branch: BUNGOMA
Account Number: 0110049743200
6. Name of Bank: KENYA COMMERCIAL
Branch: BUNGOMA
Account Number: 1271903598

7. MPESA Pay Bill No. - attached to - bank account

8. Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

YEAR	SURPLUS/DEFICIT AMOUNT (KSH)
2019	483,785
2020	2,140,605
2021	1,511,118
2022	3,289,441

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

YEAR	AMOUNT (KSH)
2019	6,190,994
2020	
2020-2021	7,902,466

RATIO OF CAPITATION GRANTS

YEAR	AMOUNT (KSH)
2019	22,244
2020	22,244
372021	22,244

GROWTH IN OTHER INCOMES

YEAR	AMOUNT (KSH)
2021	1,190,706
2021/2022	3,855,379

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

YEAR	AMOUNT (KSH) (DEBTORS)	AMOUNT (KSH) (CREDITORS)
2019	10,049,773	488,306.00
2020-2021	10,680,077	333,697
2021/2022	11,593,514	249,779

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b) Teacher Student ratio:

TEACHER/STUDENT RATIO	NEWLY POSTED TEACHERS	TRANSFERRED TEACHERS	RETIRED TEACHERS	TSC TEACHERS	BOM TEACHERS
1:23	1	1	0	13	3

TSC TEACHERS PER SUBJECT

SUBJECT	NO. TSC TEACHERS	DEFICITT/ SURPLUS
ENGLISH	1	-3
KISWAHILI	4	0
MATHS	3	-1
CHEM	2	-2
PHYSICS	1	-3
BIOLOGY	3	-1
HISTORY	2	-2
GEOGRAPHY	3	-1
CRE	5	0
AGRICULTURE	1	-3
BUSINESS/STUDIES	1	-3

c) Mean score in the 2021 KCSE:

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YEAR	ENTRY	MEAN SCORE (PI)	DEVIATION	UNIVERSITY QUALIFIERS
2018	76	3.3947	+0.8747	8
2019	64	4.41	+1.0153	13
2020	93	4.065	-0.345	8
2021	76	3.08	-0.985	5

d) Number of Candidates in the 2022 KCSE:

YEAR	ENTRY
2019	64
2020	93
2021	76
2022	81

e) Capacity of the school:

S/NO	FACILITIES	ENROLMENT	QUANTITY	SHORTAGE	CAPACITY
1	CLASSROOMS	411	10	2	365
2	TOILETS -BOYS	211	8	2	
	- GIRLS	200	8	2	
	TEACHERS	15	4	2	
3	LABORATORY			TWINE LABORATORY	
4	MUILT-PURPOSE HALL		UNDER CONSTRUCTION	FUNDS NEEDED	
5	COMPUTER LAB.			NEEDED	
6	LBRARY			NEEDED	
7	PLAY FIELDS			2 ACRES	

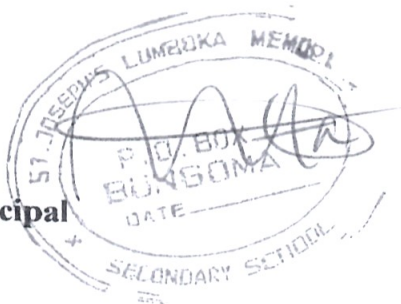
ST. JOSEPH'S LUMBOKA MEMORIAL SECONDARY SCHOOL
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For the year ended 30th June 2022

f) Development projects carried out by the school:

S/NO.	PROJECT 2021/2022	SOURCES OF FUNDS	AMOUNT (KSH)
1	MUULTIPURPOSE HALL	M& I GOVERNMENT SUBSIDY	1,570,000

Sign

School Principal



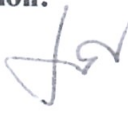
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

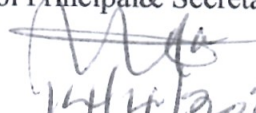
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

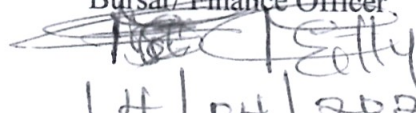
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

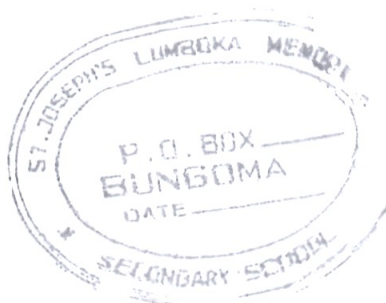
The Board of Management of St. Joseph's Lumboka Secondary accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

Name: MR. KHAEMBA MICHAEL
Designation: Chairman, School Board of Management
Sign: 
Date: 14/4/2022

Name: MS. JUDITH MUKASA
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 14/4/2022

Name: FELSTUS SOITA KHAMALA
Designation: Bursar/ Finance Officer
Sign: 
Date: 14/04/2022



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. JOSEPH LUMBOKA MEMORIAL SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – BUNGOMA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of St. Joseph Lumboka Memorial Secondary School set out on pages 12 to 30, which comprise the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and

Report of the Auditor-General on St. Joseph Lumboka Memorial Secondary School for the year ended 30 June, 2022 – Bungoma County

payments, statement of cash flows and statement of budgeted versus actual amounts for 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 St. Joseph Lumboka Memorial Secondary School 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Payables Balance

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.249,779 as disclosed in Note 11 to the financial statements. However, the balance has not been supported with invoices, bills, contracts and supplier statements.

In the circumstances, the accuracy, existence and completeness of accounts payables balance of Kshs.249,779 could not be confirmed.

2. Unsupported Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.11,593,514 as disclosed in Note 10 to the financial statements. However, the supporting schedules and detailed aging analysis were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.11,593,514 could not be confirmed.

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

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.3,767,462 as disclosed in Notes 8 and 9 to the financial statements. Included in the balance is Parents Association Development bank account with a balance of Kshs.57,980. However, the bank balance was not supported by cash books, bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.3,767,462 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,326,170 and Kshs.5,792,818 as disclosed in Notes 1 and 2 to the financial statements, respectively all totalling Kshs.7,118,988. However, the National Education Management Information System (NEMIS) reflects capitation amount of Kshs.7,338,114, resulting in an unexplained variance of Kshs.219,126.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations amounting to Kshs.1,326,170 and Kshs.5,792,818 respectively could not be confirmed.

5. Inaccuracies of the Financial Statements

The statement of receipts and payments reflects total receipts of Kshs.13,475,230 which differs with the total actual receipts of Kshs.12,370,006 reflected in the statement of budgeted versus actual amounts by an unexplained variance of Kshs.1,105,224.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects the final receipts budget and actual on a comparable basis of Kshs.11,872,720 and Kshs.12,370,006 respectively, resulting in an over-funding of Kshs.497,286 of the budget. However, the School spent an amount of Kshs.10,185,789 against actual receipts amounting to Kshs.12,370,006 resulting in an under-utilization of Kshs.2,184,217 or 18% of actual receipts.

The 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters

described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on pages 2 to 10 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. 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.5,170,213 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.35,000 transferred to Bumula District Heads Association and KESSHA Bungoma branches of Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.35,000 could not be confirmed.

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.5,792,818 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.2,104,000 in respect of infrastructure grants which was to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.1,190,706 was transferred to infrastructure account, leaving a balance of Kshs.913,294 as at 30 June, 2022. This was contrary to the Ministry of Education Circular 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.

3. Late Submission of Financial Statements for Audit

Management submitted the financial statements for the period ended 30 June, 2022 to the Office of the Auditor-General on 15 February, 2023, more than four (4) months after the statutory deadline of 30 September, 2022. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012 which states that not later than three months after the end of each financial year, the accounting officer for the entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

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

4. Failure to Prepare School Improvement Plan

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.9,745,636. However, Management did not prepare an updated fixed assets register nor provide a basis for the valuation of the assets.

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

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects the accounts receivables balance of Kshs.11,593,514 in respect of accounts receivable which, as disclosed in Note 11 to the financial statements, includes Kshs.11,592,124 in respect of fees arrears. However, the balance further includes a balance of Kshs.10,251,929, which had been outstanding for more than two (2) years. In addition, there was no policy on the impairment of long outstanding fees arrears, casting doubt on the full recoverability of the accounts receivable balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

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

Responsibilities of Management and those charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

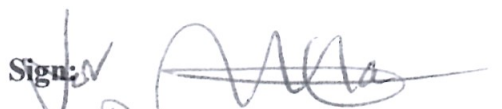
27 April, 2026

ST. JOSEPH'S LUMBOKA MEMORIAL SECONDARY SCHOOL
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For the year ended 30th June 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,326,169	1,079,308
Capitation grants for operations	2	5,792,818	6,823,158
School Fund Income- Parents' Contributions	3	3,834,140	2,805,312
School Fund Income- Other receipts	4	2,522,103	175,100
Proceeds from borrowings			
TOTAL RECEIPTS		13,475,230	10,882,878
PAYMENTS			
Payments for Tuition	5	1,253,203	1,045,263
Payments for operations(3,372,373-WRONG	6	3,762,373	4,842,104
Boarding and school fund payments	7	5,170,213	2,854,906
TOTAL PAYMENTS		10,185,789	8,742,273
SURPLUS/DEFICIT		3,289,441	2,140,605

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

Sign: 
Name: Peter Wafua
Chair BOM

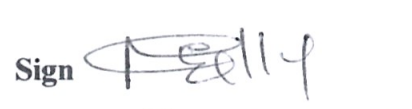
Date xxxx

14/4/2026

Sign: 
Name: Makouka George
School Principal/
Secretary to BOM

Date

14/4/2026

Sign: 
Name: Felistus Sit Dhamale
Bursar/
Finance Officer

Date

14/4/2026



ST. JOSEPH'S LUMBOKA MEMORIAL SECONDARY SCHOOL
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	3,766,434	1,464,171
Cash Balances	9	1,028	11,204
Short term Investment	10		
Total Cash and cash equivalent		<u>3,767,462</u>	<u>1,475,376</u>
Account's receivables	10	11,593,514	10,680,077
TOTAL FINANCIAL ASSETS		15,360,976	12,155,453
FINANCIAL LIABILITIES			
Accounts Payables	11	249,779	333,697
NET FINANCIAL ASSETS		15,111,197	11,821,756
REPRESENTED BY			
Accumulated Fund b/fwd		11,821,756	9,681,151
Surplus/Deficit for the year		3,289,441	2,140,605
NET FINANCIAL POSSITION		15,111,197	11,821,756

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

Name: *Peter Wajula*
Chairman, BoM

Sign: *[Signature]*

Date: *14/4/2022*

Name: *[Signature]*

School
to BoM
Sign:

Mabuka George
Principal/Secretary

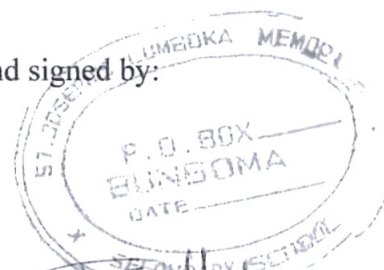
[Signature]
14/4/2022

Date: *14/4/2022*

Name: *Felistus Soda*
Bursar/Finance

Sign: *[Signature]*

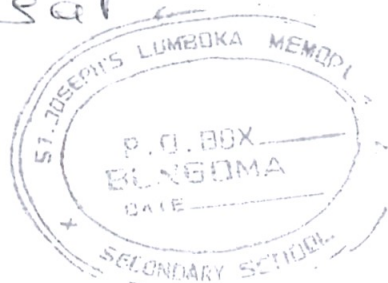
Date: *14/4/2022*



VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,326,169	1,079,308
Capitation grants for operations	2	5,792,818	6,823,158
School fund income- Parents contributions/ fees	3	3,834,140	2,229,275
School fund income- other receipts	4	2,522,103	
Total receipts		13,475,230	10,131,741
Payments			
Payments for Tuition		1,253,203	1,125,898
Payments for operations		3,762,373	4,036,058
Payments for infrastructure			728,187
Boarding and school fund payments		5,170,213	2,885,906
Total payments		10,185,789	8,776,049
		3,289,441	
Add/less decrease/increase in receivables		(636,317)	
Add/less increase/decrease in payables		(361,038)	
Net cash flows from operating activities		2,292,086	1,355,692
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,292,086	1,355,692
Cash and cash equivalent at BEGINNING of the year		1,475,376	119,684
Cash and cash equivalent at END of the year		3,767,462	1,475,376

Felix
Felixus Soita Khamala
14/4/2022
Bursar



Maahna
Maahna
14/4/22
Principal

Peter
Peter
Wafunda
BOM chair

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	671,460		671,460	-	-	(100%)
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	903,260		903,260	1,326,169	(422,909)	146%
Chalks						
Exams and assessment						
Teachers guides						
TOTAL	1,574,720.00		1,574,720.00	1,326,169.60	248,550.40	84.%
(2) CAPITATION GRANT ON OPERATIONS						
PE, LT & T, ADM. COST, EWC	3,572,000		3,572,000	3,728,118.	156,118.20	104.%
Repairs and maintenance	1,900,000		1,900,000	1,982,500	82,500	104.%
INSURANCE (MEDICAL & PROPERTY	760,000		760,000	82,200	678,000	10%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Electricity and water						
Medical						
Administration costs						
Activity	570,000		570,000	-	-	(100%)
SMASSE	76,000		76,000	-	-	(100%)
TOTAL	6,878,000		6,878,000	5,792,818		84%
(3) FEES CHARGED ON PARENTS						
Lunch	3,420,000		3,420,000	2,728,916	619,084	80%
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
SMASSE						
Fee on Boarding Equipment and Stores						
OTHER INCOME						
KCSE	-	-	-	70,500	-	100%
Income from farming activities	-		-	64,150		100%
Insurance compensation	-		-	2,387,453		100%
Income from Posho mill						

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
TOTAL INCOME	11,872,720		11,872,720	12,370,006	(497,286)	104%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	671,460.00		671,460.00	38548	632,912	6 %
Exercise books	379,500		379,500	374,600	4900	99 %
Laboratory equipment	310,095		310,095	487,705	177,610.00	152 %
Internal exams	204,905		204,905	335,790	130,885	164 %
Teaching / learning materials						
Chalks	8760		8760	16560	7800	189 %
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges						
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,671,172.00		1,671,172.00	1,407,312	263,860	84 %
Repairs, maintenance & improvements	1,680,000		1,680,000	1,893,463	-213,463	113 %

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Local transport / travelling	968,000		968,000	1,265,348	297,348.00	131 %
Electricity, water and conservancy	463,300		463,300	445,062	18,238.00	96 %
Medical	794,460		794,460	13,659	78,082	2 %
Administration costs	607,745		607,745	616,012	8,267	101%
Activity Expenses	617,330		617,330	15,000	602,320	2 %
Gratuity						
SMASSE	76,000		76,000		76,000	100%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments						
Repairs, maintenance and improvements						
Local transport / travelling						
Electricity, water and conservancy						
Medical Expenses						
Administration costs						
Activity						
Gratuity						
Lunch program	3,420,000		3,420,000	3,160,510	259,490	92.41%
Boarding Equipment and Stores						
Expenditure for Income Generating Activity						

Annual Report and Financial Statements
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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
KSCE	-		-	70,600	-	100%
Other expenses on investments						
Farm Expenses	-		-	44,200	-	100%
Bank Charges	-		-	1,440	-	100%
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition of Assets						
TOTALS	11,872,720		11,872,720	10,185,789	1,686,931	86%

RECEIPTS

1. CAPITATION ON GOVERNMENT GRANTS

- Tuition Percentage utilization was 84 %. because no text books came in.
- Operation Percentage utilization was 84 %. Not all monies were received.
- School Fund Account Percentage utilization was 80 %. Not all students cleared monies meant for lunch program

2. EXPENDITURES

- a. Text Books Percentage utilization was 6 %. No text books were dispersed
- b. laboratory Equipment Percentage utilization was 152 %. More money was used to replace the chemicals and apparatus burnt
- c. Internal Exams Percentage utilization was 164 %. due to the inflation rates
- d. Personal Emolument utilization was 84 %. Non transfers to gratuity fund
- e. M & I utilization was 113%. Part of 2021 M & I fund was brought forward to this year.
- f. LT & T Percentage utilization was 131%. Due to the inflation rates and more travels
- g. Administrative cost Percentage utilization was 101%. Due to the inflation rates
- h. Activity Funds Percentage utilization was 2.42 %. Non disbursement from government

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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 2022

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	1,326,169	1,079,308
Chalks		
Exams and assessment		
Teachers guides		
Total	1,326,169	1,079,308

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Others	3,728,118	3,977,158
Repairs and maintenance	1,982,500	2,650,000
Local transport / travelling		
Electricity and water		
Medical	82,200	65,2000
Administration costs		
Activity		130,8000
Total	5,792,818	6,823,158

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Medical		
Lunch	3,834,140	2,805,312
Activity		
Total	3,834,140	2,805,312

NOTES TO THE FINANCIAL STATEMENTS

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
Rent income		
Income from farming activities	64,150	97,300
Insurance compensation		
Income from Posho mill		
Laboratory a/c	2,387,453	
Fee for hire of ground and equipment		
Income from grants and donations*		
KCSE	70,500	77,800
Dividends income		
Total	2,522,103	175,100

5 PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	38,548	
Exercise books	374,600	189,870
Laboratory equipment	487,705	176,000
Internal exams	335,790	670,633
Teaching / learning materials		
Chalks	16,560	
Exams and assessment		
Teachers guides		8,760
Administration Costs		
Bank Charges		
Total	1,253,203	1,045,263

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NOTES TO THE FINANCIAL STATEMENTS

6 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,407,312	2,091,367
Service Gratuity		
Administration Cost	616,012	607,188
Repairs and maintenance & improvements		728,187
Local transport / travelling	1,265,348	591,044
Electricity and water	445,062	425,863
Medical	13,639	119,070
Activity Expenses	15,000	279,385
SMASSE		
Insurance Cost		
Bank Charges		
Acquisition of Assets		
TOTAL	3,762,373	4,842,104

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments		
Service Gratuity		
Repairs and maintenance & Improvements		
Local transport / travelling		
Electricity and water		
Medical Expenses		
Administration costs		
Lunch Programme	3,160,510	2705,356
Bank Charges	1,440	
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores		
Farm a/c	44,200	60,450
Insurance Cost (Life Property)		
Loan Principal repayment		
KCSE	70,600	89,100
Acquisition of Assets	1,893,463	
TOTAL	5,170,213	2,854,906

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NOTES TO THE FINANCIAL STATEMENTS

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account		31,533	8,551
Operations Account		120,053	470,042
School Fund Account/Boarding		2,162,613	7,320
Savings Account		164,569	16,009
CDF		57,980	57,980
Income generating activities Account			
Infrastructural Account		1,229,685	904,269
Total		3,766,433	1,464,171

9 CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
Infrastructure Account	40	
Operation Account	359	1,344
School Fund account	629	9,860
Total	1,028	11,204

10 SHORT TERM INVESTMENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
Total		

NOTES TO THE FINANCIAL STATEMENTS

11 ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	11,592,124	10,679,077
Other non-fees receivables		
Salary advances		1,000
Union dues	1,390	
Total	11,593,514	10,680,077

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	1,105,224	427,148
Fees arrears for the previous year	234,971	323,989
Fees arrears for prior periods (over two years)	10,251,929	9,927,940
Total	11,592,124	10,679,077

12 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors	80,000	304,991
Prepaid fees	169,456	3,000
Retention monies-PAYE/ NSSF	323	25,706
Total	249,779	333,697

AGEING CREDITORS

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	80,000	233,511
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)		71,480
Total	80,000	304,991

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	1,464,172	119,430
Cash balances	11,204	254
Short Term Investments		
Receivables	10,680,077	10,049,773
Payables	(333,697)	488,306
Total	11,821,756	9,681,151

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Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank loan(s)		
Outstanding Leases		
Hire purchase		
Gratuity and leave provision		
Total		

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle			
Goats		-	-
Trees			
Coffee or tea plantation			
Poultry			
Total		-	-

16 Borrowings

Description	2021-2022	2020-2021
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year	-	

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Other important disclosure notes

17 Stock/ Inventory

Description	2022-2021	2021-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	103,135	30705
Stock/ inventory purchased during the year	3,737,395	2,078,387
Stock/ inventory issued during the year	(3,579,393)	(2,005,957)
Balance at end of the year	261,137	103,135

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

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18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance JUNE 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7. Rural Home Industry LTD	80,000	25/-05/2022			80000	
8.						
Sub-Total						
Grand Total	80,000				80,000	

Reports and Financial Statements

For the year ended 30th June 2022

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1	1998	South Mateka	200,000			200,000
Land 2	2014	„	600,000			600,000
Land 3	2016	„	600,000			600,000
Buildings and structures						
Furniture	2020 & below		1,800,000			1,800,000
Office equipment, photocopier 1 Photocopier 2	2016 2020		120,000 120,000			240,000
ICT Equipment, and Other ICT Assets; 4 Desk tops, 2 laptops, 2 printers	2015-2018		249,000			249,000
Generator	2017		44,000			44,000
Textbooks	2021 & Below		5,389,058	24, 578		5,413,636
Other Machinery and Equipment						
Trees			599,000			599,000
Intangible assets- soft ware						
Total			9,721,058	24,578		9,745,636

