REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 29 JUL 2026 | DAY. Wednesday

TABLED BY: Hon. Robert Pukose

CLERK-AT-THE-TABLE: J. Lemerelle

REPORT

OF

THE AUDITOR-GENERAL

ON

MENZAMWENYE SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2021

KWALE COUNTY

MENZAMWENYE SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

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

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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 **Kwale** County, **Lungalunga** Sub-County

The school was registered in **2021** under registration number **02S30000003** and is currently categorized as a **Sub-County** Mixed Day and Boarding public school established, owned or operated by the Government.

The school is a day/boarding school and had **430** number of students as at 30th June 2021. It has 3 streams and **19** teachers of which **10** teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Juma Mambo zani	Chairman	26/09/2019
2	Onyango Norbert Opiyo	Secretary - Principal	26/09/2019
3	Grace Umazi Tsuma	Member	26/09/2019
4	Fanuel Wafula Khisa	Member	26/09/2019
5	Lucy Ruwa Mwero	Member	26/09/2019
6	Zawadi Mwaruwa	Member	26/09/2019
7	Mwinzi Paul Kilango	Member	26/09/2019
8	Johnson Mwavilolo	Member – Rep CEB	26/09/2019
9	Chizi Benguta	Member Rep Teachers	26/09/2019
10	Mwakaga Zecha Samson Rocha	2 Members - Sponsor	26/09/2019
11	Umazi Mudzomba	Member - Community	26/09/2019
12	Maurice Tsuma	Member Special Needs	26/09/2019
13	Samuel Mwashambi	Rep Students	26/09/2019

The functions of the School Board of Management are to:

- 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
1	**Executive Committee**	Zani Mambo Onyango Norbert Grace Tsuma Elizabeth Nyamai Umazi Mudzomba	Chairman Secretary Member Member Member	3
2	Audit Committee	Grace Umazi Maurice M. Tsuma Samson Rocha Johnson Mwavilolo Zawadi Mwaruwa	Chairman Member Member Member Member	2
3	Finance,procurement and general purposes Committee	Zecha Mwakaga Elizabeth Nyamai Mwinzi Kilango Fanuel Wafula Umazi Mudzomba	Chairman Secretary Member Member Member	3
4	Academic Committee	Fanuel Wafula Judith Mwasingo Chizi Benguta Grace Umazi Mwinzi Kilango	Chairman Secretary Member Member Member	3
5	Development Committee	Judith Mwasingo Chizi Benguta Grace Umazi Samson Rocha Fanuel Wafula	Chairperson Secretary Member Member Member	3
6	Discipline and welfare Committee	Lucy Ruwa Elizabeth Nyamai Zawadi Mwaruwa Zecha Mwakaga Maurice M.Tsuma	Chairman Secretary Member Member Member	4
7	Adhoc Committee (if any during the year) SIC	Elizabeth Nyamai Juma Mambo Luccy Ruwa Onyanno Norbert Rashid Roba	Chairperson Member Secretary Member Member	3

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	REV.ONYANGO N. OPIYP	TSC No.374654
2	Deputy Principal	MR.TEUZI ALI MWATEUZI	TSC No.324770
3	School Bursar	MD.FLORENCE KATAMA MWAMBA	ICPAK No. N/A
4	Other (specify)		

(e) Schools contacts

Post Office Box: 88-80402 LUNGALUNGA
Telephone: 0713422434
E-mail; MENZASEC21@GMAIL.COM
Website:
Facebook:
Twitter:

(f) School Bankers

The school operated **8** number of bank accounts in the following banks:

1.	Name of Bank: Branch: Account Number:	_KCB___ UKUNDA 1197650466.1134347725.1134387814.1177339862.1112892605.1167764765.1197650873
2.	Name of Bank: Branch: Account Number:	Co-op Bank Ukunda 01141838103500

3. MPESA Pay Bill No. Nil attached to bank account

(g) Independent Auditors

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

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

Under this section, the following information should be given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*

YEAR	2021
SURPLUS/DEFICIT	338,745

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

YEAR	2021
TUITION	399,243
OPERATION	2,502,028

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

YEAR	2021
OPERATION	1:5819
TUITION	1:928

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

YEAR	2021
LUNCH/BOARING	2,581,354

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

YEAR	2021
EXPENDITURE	5,143,880

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

YEAR	2021
DEBTORS	9,873,017
CREDITORS	611,440

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

YEAR	**2021**
BANK	**2,274,275.95**
CASH	**25,993**

b) Teacher Student ratio:

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

	2021
Teacher student ratio	1:48
Teacher posted	1
TSC Teachers	8
BOM Teachers	9

c) Mean score in the *2021* KCSE:

Give performance of the school for.each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

YEAR	*2021*
MEAN SCORE	*2.974*
COMMENT	*FAIRLY COOPERATIVE CLASS*

d) Number of Candidates in the 2021 KCSE:

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

YEAR	CANDIDATES
2020	45

e) Capacity of the school:

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

	NO.OF STUDENTS	DORMITORY	DINING HALL	LABORATORY	TOILETS	CLASSROOMS
NO	430	2	0	1	24	7
COMMENT		Adequate	Needed	Inadequate	Inadequate	Inadequate

f) Development projects carried out by the school:

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
1 .No Classroom	FDSE	Complete	860,000	860,000	Complete
2.No Classroom	Parents	On-going			

*Sign*________________

School Principal
Rev.Onyango . Norbert Opiyo

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

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

Name: JUMA ZANI MAMBO
Designation: Chairman, School Board of Management
Sign:..........
Date:..........30/4/26......

Name: REV.NORBERT OPIYO ONYANGO
Designation: School Principal & Secretary to Board of Management
Sign:..........
Date: ..30/4/2026........

Name: FLORENCE KATAMA MWAMBA
Designation: Bursar/ Finance Officer
Sign:..........
Date: ....30/04/2026..........

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MENZAMWENYE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021- KWALE COUNTY

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Menzamwenye Secondary School Set out on pages 1 to 17 which comprise of the statement of financial assets and liabilities as at 30 June, 2021 and the statement of statement of receipts and payments, statement of cash flows and statement of budget 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 Menzamwenye Secondary School at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Boarding and School Fund Payments

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects boarding and school fund payments of Kshs.2,741,958 out of which expenditure amounting to Kshs.594,523 was not supported with local purchase orders, requisition memos, invoices, delivery notes, professional opinions and inspection and acceptance reports which were not provided for audit verification contrary to Regulation 99(3) of the Public Finance Management (National Government) Regulations, 2015.

In this circumstance, the accuracy and completeness of boarding and school fund payments of Kshs.2,741,958 could not be confirmed.

2. Unsupported Bank and Cash Balances

The statement of financial assets and liabilities and as disclosed in Note 8 and Note 9 to the financial statements reflects cash and cash equivalents balance of Kshs.2,300,269 which include bank balance and cash balance of Kshs.2,274,276 and Kshs.25,993 respectively. However, bank reconciliations for six (6) bank accounts with balances totaling to Kshs.2,274,275 were not provided for audit .Further, cashbooks were not maintained for three (3) bank accounts with bank account balances totaling to Kshs.13,479. In addition, board of survey was not conducted at the end of the financial year.

In this circumstance, the completeness and accuracy of cash and cash equivalents balance of Kshs.2,300,269 could not be confirmed.

3. Variances in in the Financial Statements

i) The statement of financial assets and liabilities reflects accumulated fund balance brought forward of Kshs.11,323,101 which differs with the accumulated fund brought forward in Note 13 to the financial statements of Kshs.12,794,500 resulting to a variance of Kshs.1,471,399.

ii) The statements of cash flows reflects cash and cash equivalents balance of Kshs.2,300,269 which differs with the recomputed cash equivalents of Kshs.2,279,617 resulting to variance of Kshs.20,652.
iii) The statement of cashflows reflects total receipts and total payments of Kshs.5,482,625 and Kshs.5,143,880. However, the statement of budgeted versus actual amounts reflects total actual income and expenditure on a comparable basis of Kshs.6,472,385 and Kshs.4,077,380 respectively resulting to variances of Kshs.989,760 and Kshs.1,066,500 respectively.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Menzamwenye 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 total income budget and total actual income on a comparable basis of Kshs.12,117,880 and Kshs.6,472,385 respectively resulting to underfunding of Kshs.5,645,495 or 47%. Further, the School spent Kshs.4,077,380 out of actual receipts of Kshs.6,472,385 resulting to underutilization of Kshs.2,395,005 or 37%.

In the circumstances, the under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unaudited Opening Balances

I draw your attention to the opening balances for the 2020/2021 financial year. The opening balances as at 1 July, 2020 were based on unaudited figures. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances.

Other Information

The Management is responsible for the Other Information set out on page ii to ix which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibilities. 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. Unaccounted for Funds Transferred to Kenya Secondary Schools Heads Association

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects payments for operations of Kshs.2,078,960. Included in the expenditure is Kshs.43,920 transferred to Kenya Secondary School Heads Association for activities. 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.43,920 could not be confirmed.

2. Unbalanced Budget

The statement of budget versus actual amounts reflects total income budget of Kshs.12,117,880 and total expenditure budget of Kshs.11,881,369 resulting to budget difference of Kshs.236,511 contrary to Regulation 33(c) of Public Finance Management (National Government) Regulations, 2015 which states that all times during budget formulation and approval the budget shall be balanced.

In the circumstance the approved use of the budget difference was not disclosed.

3. Irregularities in Procurement

The statement of receipts and payment reflects total expenditure of Kshs.5,143,880, however, audit verifications revealed the following irregularities in procurement procedures:

i) Management did not provide an approved procurement plan to support the procurement of the goods and services during the year under review. This is contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

ii) The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020.

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

4. Late Submission of Financial Statements for Audit

During the year under review, the Management submitted the financial statements to the Auditor-General on 4 March, 2026 instead of the statutory deadline of 30 September, 2021. 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 of each year in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

5. Non-Compliance with Public Sector Accounting Standard Board Reporting Requirements

Review of financial statements revealed the following omissions and non-compliance with the PSASB financial reporting requirements:

i) Statement of management responsibility, statement of receipts and payments, statement of assets and liabilities and statement of cashflows were not signed by Chair to the School Board of Management. Further, the statement of cashflows was not signed by any of the three mandatory signatories.

ii) The statement of budgeted versus actual amount does not indicate receipts budget utilization difference
iii) Note 17 on inventory was not completed.
iv) Progress on follow up of auditors' recommendation is not signed by the Accounting Officer.
v) Annex 1 analysis of pending bills was not included in financial statements.
vi) Annex 2 on summary of fixed assets register was not included in financial statements.
vii) Rounding off of amounts and balances to the nearest Kenya Shilling was not done in the statement of financial assets and liabilities and the Notes to the financial statements
viii) Note numbering is incorrect in the statement of financial assets and liabilities where short term Investments and Accounts Receivable are both referenced to Note 10, cash and cash equivalents at the beginning of the year in the statement of cashflows is also disclosed as Note 10 and accounts receivable and accounts payable are referenced to incorrect notes.

In the circumstances, the School did not comply with the reporting requirements from the PSASB.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Receivables

The statement of financial assets and liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.9,973,017 which includes fees arrears of Kshs.9,882,791. However, the fees arrears of Kshs.9,882,791 includes balance of Kshs.4,879,204 which had been outstanding for a periods of over two years casting doubt on full recoverability of the account's receivables balance.

In the circumstances the recoverability of the long outstanding accounts receivables could not be confirmed.

2. Lack of Updated Fixed Asset Register and Failure to Provide Ownership Documents

Audit verifications carried out revealed that the School did not maintain a assets register. Further, Management of the School did provide land ownership documents for audit review. In addition, several assets at the School were not tagged for identification purposes.

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

3. Failure to Conduct Year End Stock Take on Inventories

The statement of financial assets and liabilities and as disclosed in Note 17 to the financial statements under other important disclosures reflects inventory of Kshs. Nil balance. However, during the year under review, the School procured food items, laboratory materials and office stationery and supplies for its operations that were received and recorded in the stores ledger before being issue. However, the annual stock take was not conducted as at 30 June, 2021 to confirm the closing stock balances of inventories.

In the circumstances, the existence of effective controls over inventory could not be verified.

4. Lack of Various Policies and Manuals

Audit verification carried out revealed the School did not have crucial institutional policies, manuals and guiding documents such as finance policy and procedural manual, human resource policy and procedural manual, IT Security Policy, asset management policy and transport policy. This is contrary to Regulation 23(1)(c) of Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall, in accordance with Article 226(2) of the Constitution and Section 68(1) of the Act, be accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

In the circumstances, the effectiveness of internal controls and overall governance of the School could not be confirmed.

5. Use of Manual Systems

During the year under review, the school maintained manual accounting records such as receipt books, cash books, ledgers, fees register and student registers. While the manual records were available for verification, it was difficult to trace key records like the block official receipts issued to institutions awarding bursary to students and the specific receipt issued to each bursary beneficiary as this information was not displayed on the face of the bursary disbursement letters.

In the circumstances, the effectiveness of internal controls and overall governance of the School could not be confirmed.

6. Incomplete Schedules - School Fund Income Parents' Contribution

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects school fund income parents' contribution of Kshs.2,575,614. However, supporting schedules provided for audit did not contain the full details, clear narrations and particulars of the item or items to which it relates. This is contrary to Regulation 99(3) of the Public Finance Management (National Government) Regulations 2015 which states that every entry in the accounts shall be supported by a voucher or other approved document gazetted by the Cabinet Secretary containing the full details, clear narrations and particulars of the item or items to which it relates.

In the circumstances, the internal controls on accounting systems which includes documentation maintained 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 the Management and Board of Management

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

The Board of Management is 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

18 May, 2026

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

Description Of Vote Head	Note	2021
		Kshs
Receipts		
Capitation grants for tuition	1	399,243
Capitation grants for operations	2	2,502,028
School Fund Income- Parents' Contributions	3	2,575,614
School Fund Income- Other receipts	4	5,740
Proceeds from borrowings		
Total Receipts		**5,482,625**
Payments		
Payments for Tuition	5	322,962
Payments for operations	6	2,078,960
Boarding and school fund payments	7	2,741,958
Total Payments		**5,143,880**
Surplus/Deficit		**338,745**

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

....	....	....
Name:MR JUMA ZANI MAMBO	**Name:REV ONYANGO OPIYO**	**Name:MR FLORENCE KATAMA MWAMBA**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 30/4/2026	**Date:** 30/4/2026	**Date:** 30/4/2026

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

Description	Note	2021	
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	8	2,274,276	0
Cash Balances	9	25,993	0
Short term Investment	10		
Total Cash and cash equivalent		**2,300,269**	**0**
Account's receivables	10	9,973,017	0
TOTAL FINANCIAL ASSETS		**12,273,286**	**0**
FINANCIAL LIABILITIES			
Accounts Payables	11	611,440	0
NET FINANCIAL ASSETS		**11,661,845.95**	**0**
REPRESENTED BY			
Accumulated Fund b/fwd	13	12,794,499.95	0
Surplus/Deficit for the year		338,745	0
NET FINANCIAL POSSITION		**13,133,244.95**	**0**

The school's financial statements were approved on ___________ 2021 and signed by:

....	....	....
Name: MR JUMA ZANI MAMBO	**Name: REV.NORBERT OPIYO**	**Name: MD.FLORENCE KATAMA**
	School Principal/ Secretary to BOM	
Chair BOM		**Bursar/ Finance Officer**
Date: 30/4/2026	**Date:** 30/4/2026	**Date:** 30/4/2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

		2020-2021 Kshs
Receipts for operating income		
Capitation grants for tuition	1	399,243
Capitation grants for operations	2	2,502,028
School fund income- Parents contributions/ fees	3	2,575,614
School fund income- other receipts	4	5740
Total receipts		**5,482,625**
Payments		
Payments for Tuition	5	322,962
Payments for operations	6	2,078,960
Boarding and school fund payments	7	2,741,958
Total payments		**5,143,880**
Net cash flow from operating activities		**338,745**
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		**338,745**
Cash and cash equivalent at BEGINNING of the year	10	1,940,872
Cash and cash equivalent at END of the year		**2,300,269**

The school's financial statements were approved on ___________ 2021 and signed by:

………………………………	………………………………	………………………………
Name:Mr. Juma Zani Mambo	**Name:Rev.Onyango N. Opiyo**	**Name:Florence Katama Mwamba**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 30/4/2026	**Date:** 30/4/2026	**Date:** 30/04/2026

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b		d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION	**919,080**	-	**919,080**	**399,243**		
Textbooks and				-		
Exercise books				-		
Laboratory equipment				-		
Internal exams				-		
Teaching / learning		-				
Chalks	919,080	-	919,080	399,243		
Exams and assessment						
Teachers guides						
(2) CAPITATION GRANT ON	**518,184,000**	-	**5,184,000**	**3,497,528**	-	-
Personnel emoluments	2,071,800		2,071,800	1,194,188		
Repairs and maintenance	1,440,000		1,440,000	1,066,500		
Local transport / travelling	515,520		515,520	290,402		
Electricity and water	239,400		239,400	503,394		
Medical	-		-	39,650		
Administration costs	377,280		377,280	397,582		
Activity	540,000		540,000	5,812		
Gratuity				-		
SMASSE				-		
(3) FEES CHARGED ON PARENTS	**6,014,800**	-	**6,014,800**	**2,575,614**	-	-
Personnel emoluments	516,000	-	516,000	112,000		

Repairs and maintenance	1,600,000	-	160,000			
Local transport / travelling	80,000	-	80,000	7,000		
Electricity and water	178,000	-	178,000	15,000		
Medical	-	-	-			
Administration costs	258,000	-	258,000	3,977		
Activity	20,000	-	20,000	2,000		
SMASSE		-				
Fee on Boarding Equipment and Stores	2,030,800	-	2,030,800	785,010		
Lunch		-				
OTHER INCOME						
Rent income		-				
Income from farming		-				
Insurance		-				
Income from Posho		-				
Income from Bus Hire		-				
Fee for hire of ground						
Interest income		-				
Income from any other		-				
TOTAL INCOME	**12,117,880**	-	**12,117,880**	**6,472,385**	-	-
(1) EXPENDITURE FOR TUITION	**912,240**	-	**912,240**	**322,962**	**589,278**	35%
Textbooks and reference materials	41,040		41,040	43,630	-2,590	
Exercise books	224,280		224,280	91,800	132,480	59%
Laboratory equipment	268,920	-	268,920	112,240	156,680	58%
Internal exams	281,520		281,520	33,362	248,158	88%
Teaching / learning materials	96,480	-	96,480	41,930	54,550	57%
Chalks	-		-			
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges						

(2) EXPENDITURE FOR OPERATIONS	**5,184,000**	-	**5,184,000**	**1,012,460**	**4,186,590**	**19.5%**
Personnel emoluments	1,655,148		1,655,148	609,720	1,045,428	63%
Repairs, maintenance & improvements	1,492,196		1,492,196	15,000	1,477,196	99%
Local transport / travelling	428,900		428,900	-	428,900	100%
Electricity, water and conservancy	309,500		309,500	-	309,500	100%
Medical	-		-	15,050	-	0
Administration costs	946,976		946,976	328,450	618,526	63%
Activity Expenses	351,280		351,280	44,240	307,040	87%
Gratuity				-		
SMASSE				-		
(3) EXPENDITURE FOR SCHOOL FUND	**5,785,129**	-	**5,785,129**	**2,741,958**	**3,043,171**	**2%**
Personnel emoluments						
Repairs, maintenance and improvements	78,500	-	78,500	477,035	-398,535	
Local transport /		-			-	
Electricity, water and		-				
Medical Expenses		-				0
Administration costs	210,000	0 00	210,000	243,938	-33,938	116%
Activity	6,000	-	6,000	-	6,000	0
Personal emolument	2,069,189	-	2,069,189	321,860	1,747,329	15.50%
Gratuity		-		-		0
Lunch programme		-		-		0
Boarding Equipment and Stores	3,119,840	-	3,119,840	1,558,555	1,561,285	49.90%
Expenditure for						
Insurance costs						
Other expenses on						
Rent Expenses						
Bank Charges						
TOTALS	**11,881,369**	-	**11,881,369**	**4,077,380**	**7,819,039**	0

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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

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.

5Accounts 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. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

5. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

6. 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.

7. 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.

8. Comparative figures

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

9. 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 2023

X NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021
	Kshs
Textbooks and reference materials	
Exercise books	
Laboratory equipment	109,089.00
Internal exams	
Teaching / learning materials	290,153.75
Chalks	
Exams and assessment	
Teachers guides	
Total	**399,242.75**

2 CAPITATION GRANT FOR OPERATIONS

	2021
	Kshs
Personnel emoluments	1,194,188.00
Repairs and maintenance	71,000.00
Local transport / travelling	290,402.00
Electricity and water	503,394.00
Medical	39,650.30
Administration costs	397,582.00
Activity	5812.00
Total	**2,502,028.30**

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021
	Kshs
Personnel emoluments	112,000.00
Repairs and maintenance	
Local transport / travelling	7000.00
Electricity and water	15,000.00
Medical	
Administration costs	3,977.00
Fee on Boarding Equipments and Stores	785,010
Lunch	1,650,627.00
Activity	2000.00
Total	**2,575,614**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021
	Kshs
Damages/lost books	
Income from farming activities	
ARREARS	
SALE OF WATER	3,740.00
Income from Bus Hire	
Pre-payments	
Income from grants and donations*	
Tender	2,000.00
Dividends income	
Total	**5,740**

5 PAYMENTS FOR TUITION

	2021
	Kshs
Textbooks and reference materials	43,630.00
Exercise books	91,800.00
Laboratory equipment	112,240.00
Internal exams	33,362.00
Teaching / learning materials	41,930.00
Chalks	
Exams and assessment	
Teachers guides	
Administration Costs	
Bank Charges	
Total	**322,962.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2021
	Kshs
Personnel emoluments	609,720.00
Service Gratuity	
Administration Cost	328,450.00
Repairs and maintenance & improvements	15,000
Local transport / travelling	
Electricity and water	
Medical	15,050.00
Activity Expenses	44,240
Infrastructure	1,066,500
Insurance Cost	
Bank Charges	
Acquisition of Assets	
TOTAL	**2,078,960**

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021
	Kshs
Personnel emoluments	321,860
Service Gratuity	
Repairs and maintenance & Improvements	477,035
Local transport / travelling	85,500
Electricity and water	55,070
Medical Expenses	
Administration costs	243,938
Lunch Programme	
Bank Charges	
Expenses on Income Generating Activities	
Fee on Boarding Equipment and Stores	1,558,555
Activity	
Insurance Cost (Life Property)	
Loan Principal repayment	
Loan Interest repayment	
Acquisition of Assets	
TOTAL	**2,741,958**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021
		Kshs
Tuition Account	1154387725	299,489.75
Operations Account	1134387814	891,087.30
School Fund Account/Boarding	1197650466	-
Parent Association Development Account	1167764765	10,168.50
Gratuity	1197650873	2,686.05
Infrastructural Account	1177339862	1,070,219.75
General purpose account	1112892605	624.60
Total		**2,274,275.95**

9 CASH IN HAND

Description	2021
	Kshs
Tuition Account	0
Operation Account	1662
School Fund account	24,331
Total	**25,993**

10 SHORT TERM INVESTMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021
	Kshs
Fees arrears	9,882,791.00
Other non-fees receivables	
N.S.S.F	60,726.00
Salary advances	29,500.00
Imprest	
Total	9,973,017.00

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

Description	2021
	Kshs
Fees arrears for current year	1,440,408.00
Fees arrears for the previous year	3,563,179.00
Fees arrears for prior periods (over two years)	4,879,204.00
Total	9,882,791.00

12 ACCOUNTS PAYABLE

Description	2021
	Kshs
Trade creditors (See ageing below and appendix 1)	154,946.00
Prepaid fees	456,494.00
Retention monies	
Total	611,400.00

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

Description	2021
	Kshs
Trade creditors for current year	154,946.00
Trade creditors for the previous year	
Trade creditors for prior periods (over two years)	
Total	154,946.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021
	Kshs
Bank balances	2,274,275.95
Cash balances	25,993
Short Term Investments	
Receivables	9,882,791.00
Payables	(611,440.00)
Total	**12,794,499.95**

Other important disclosure notes

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

14 Non-current Liabilities Summary

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

15 Biological assets

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

16 Borrowings

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

Other important disclosure notes

17 Stock/ Inventory

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

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 20XX	Outstanding Balance 2021	Co mm
	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.						
8.						
9.						
Sub-Total						
Grand Total						

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	COMMUNITY LAND	MENZAMWENYE				
Buildings and structures ADM BLOCK 1 LAB 1 DORMOTORY 2 CLASSES 7		SCHOOL				
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets PRINTER -2 DESKTOP-1		SCHOOL				
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total						