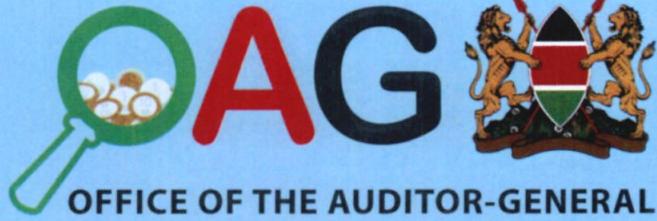


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 10 APR 2021 THURSDAY

TABLED BY:	HON. SIMANUS OSORO, MP
CLERK-AT THE-TABLE:	MAJORITY PARTY WHIP INZOFU MWALE



REPORT

OF

THE AUDITOR-GENERAL

ON

**KEEKONYOKIE MIXED DAY SECONDARY
SCHOOL**

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

NAROK COUNTY

Revised 30th June 2021.



KEEKONYOKIE MIXED DAY
SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS 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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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 NAROK County, NAROK EAST Sub-County

The school was registered in 02/2020 under registration number 33S38500850 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 514 number of students as at 30th June 2021. It has 3 streams and 21 teachers of which 7 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	Gabriel Tanyasis	Chairman	03/05/2019
2	Erastus Nganga	Secretary - Principal	03/05/2019
3	Sankale Leshinka	Member	03/05/2019
4	Christopher Nkukuu	Member	03/05/2019
5	Daniel Kimiti	Member	03/05/2019
6	Fredrick Muraya	Member	03/05/2019
7	Torome Tirike	Member	03/05/2019
8	Eunice Njuguna	Member – Rep CEB	03/05/2019
9	Roselyne Kool	Member Rep Teachers	03/05/2019
10	Father John Orege		
11	Nancy W. Nkararo		
1	Gabriel Tanyasis	3 Members - Sponsor	03/05/2019
12	Tapaiya punyua	Member - Community	03/05/2019
		Member-Special	
13	Joseph Kirrau	Needs	03/05/2019
14	James Kuronoi	Member	03/05/2019
15	Samuel Muntolol	Rep Students	03/05/2019

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

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Gabriel Tanyasis Nancy Nkararo James Kuronoi Erastus Nganga	Chairman sponsor Member Secretary	6
2	Audit Committee	Nancy Nkararo Daniel Kimiti Christopher Nkukuu	sponsor Member member	2
3	Finance, procurement and general purposes Committee	Nancy Nkararo Erastus Nganga James Kuronoi	sponsor Secretary Member	2
4	Academic Committee	Christopher Nkukuu Fredrick Muraya Gabriel Tanyasis	Member Member chairman	1
5	Development Committee	Daniel Kimiti Nancy Nkararo Father Orenge Erastus Nganga Gabriel Tanyasis Cyrus Kingori	Member Member Sponsor Secretary Chairman sponsor	2
6	Discipline and welfare Committee	Christopher Nkukuu Erastus Nganga Tapaiya Punyua Nancy Nkararo James Kuronoi	Member Secretary Member Sponsor Member	1

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

7	Adhoc Committee (if any during the year)	Erastus Nganga Roselyne Kool Gabriel Tanyasis Daniel Kimiti James Kuronoi Nancy Nkararo Cyrus Kingori	Secretary Member Chairman Member Member Sponsor SCDE	1

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	ERASTUS NGANGA	244208
2	Deputy Principal	WINNIE KARANJA	666654
3	School Bursar	DAVID KINAYIA	29646416(ID)

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 71-20504 N/Enkare
Telephone: 0720673473
E-mail: keekonyokiesec@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

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

1. Name of Bank: Family Bank(Tuition)
Branch: Narok
Account Number: 029000073887
2. Name of Bank: Family Bank(Operation)
Branch: Narok
Account Number: 029000073891
3. Name of Bank: Family Bank (T.I.G)
Branch: Narok
Account Number: 029000081017
4. Name of Bank: KCB(Main)
Branch: Narok
Account number: 1145232566
5. Name of Bank: Equity Bank(CDF)
Branch: Narok
Account Number: 0360277559443
6. MPESA Pay Bill No. N/A attached to N/A bank account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) 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:

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*

Surplus

2021	2020	2019	2018
149,640.95	1,789.40	83,236.49	63,225.76

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

2021	2020	2019	2018
3,882,668.75	5,475,555.00	6,240,399.49	4,597,799.96

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

YEAR	2021	2020	2019	2018
TUITION				
OPERATION				

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

YEAR	2021	2020	2019	2018
PARENTS	3,052,130.00	2,308,910.00	4,276,127.00	3,393,090.00
CDF	2,000,000.00	-	-	-

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

2021	2020	2019	2018
6,785,157.80	7,782,675.60	10,094,146.85	8,462,598.00

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

YEAR	2021	2020	2019	2018
DEBTORS	1,294,924.00	492,925.00	898,359.00	552,948.00
CREDITORS	1,389,215.00	591,330.00	373,482.00	396,533.00

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

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

YEAR	2021	2020	2019	2018
BANK BAL.	148,355.94	2,828.99	150,597.19	11,658.50
CASH BAL.	-	-	-	629.50

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

- b) **Teacher Student ratio:**

The teacher to student ratio is 1:24, the number of teachers recruited and posted to the school within the year were 3, and there were no transfers or retirements of teachers. There are 14 teachers employed by TSC, and 7 teachers employed by BOM. The school have the following number of teachers per subject:-Mathematics 7, Geography 4, Business Studies 1, Biology 4, Chemistry 3, Physics 2, Agriculture 1, English 3, Kiswahili 5, CRE 7 and History 3.

- c) **Mean score in the 2020 KCSE:**

OVERALL ANALYSIS

ENTRY-63

GRADE	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y	M.S	M.G
COUNT	0	0	0	0	0	0	1	3	13	25	16	5	1	0	3.0255	D

PERFORMANCE PROGRESS OVER THE LAST 3 YEARS

YEAR	2018	2019	2020
M.S	2.12	2.19	2.873
DEVIATION	+0.27	+0.07	+0.835

- d) **Number of Candidates in the 2020 KCSE:**

YEAR	2020	2019	2018
Number of candidates	63	53	51

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

e) **Capacity of the school:**

Population	Classrooms	Dining Hall	Laboratories	Toilets	Field
514	8	-	1	8	1
Required	13	1	2	16	3

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

f) Development projects carried out by the school:

FACILITY	COST	SOURCE OF FUNDS
2 CLASSROOMS	2,000,000.00	CDF
6 DOOR TOILET	480,000.00	M.O.E

Sign

School Principal

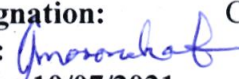
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

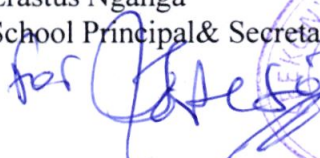
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 *Keekonyokie secondary school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: Gabriel Tanyasis
Designation: Chairman, School Board of Management
Sign: 
Date: 10/07/2021

Name: Erastus Nganga
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 10/07/2021



Name: David Kinayia
Designation: Bursar/ Finance Officer
Sign: 
Date: 10/07/2021

REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON KEEKONYOKIE MIXED DAY SECONDARY SCHOOL FOR THE SIX (6) MONTH'S PERIOD ENDED 30 JUNE, 2021 – NAROK COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Keekonyokie Mixed Day Secondary School – Narok County set out on pages 12 to 30, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus

Report of the Auditor-General on Keekonyokie Mixed Day Secondary School for the Six (6) month's period ended 30 June, 2021 – Narok County

actual amounts for the six (6) month's period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Keekonyokie Mixed Day Secondary School – Narok County for the six (6) month period ended 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Payments

The statement of receipts and payments reflects payments totalling Kshs.6,785,158. Included in these payments is Kshs.529,623, Kshs.3,285,059 and Kshs.2,970,476 respectively as disclosed in Notes 5, 6 and 7 to the financial statements. However, examination of payment vouchers revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, invoices, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the payments totalling Kshs.6,785,158 could not be confirmed.

2. Accounts Receivables

2.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.1,222,376 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.1,222,376 could not be confirmed.

2.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.1,222,376 as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.658,406 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long

exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 September, 2024

outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.1,222,376 could not be confirmed.

3. Variances in Payables

The statements of financial assets and financial liabilities reflects payables balance of Kshs.1,117,860 as disclosed in Note 12 to the financial statements. However, the balance varies with Kshs.531,565 reflected in annex 1 on analysis of pending accounts payable resulting to an unexplained or an unreconciled variance of Kshs.586,295.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.1,117,860 could not be confirmed.

4. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.152,027. Included in the balance is bank balance and cash balance of Kshs.148,356 and Kshs.3,671 respectively as disclosed in Notes 8 and 9 to the financial statements. However, the bank reconciliation statements and board of survey reports were not provided.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.152,027 could not be confirmed.

5. Inaccuracies in the Statement of Financial Assets and Financial Liabilities

The statement of financial assets and financial liabilities reflects net financial assets balance of Kshs.256,543 and a net financial position balance of Kshs.407,168 resulting to an unexplained or an unreconciled variance of Kshs.150,625. In addition, the statement reflects accumulated fund balance brought forward of Kshs.257,527 while the closing net financial position balance for the previous year is Kshs.527,263 resulting to an unexplained or an unreconciled variance of Kshs.269,736.

In the circumstances, the accuracy and completeness of the statement of financial assets and financial liabilities could not be confirmed.

6. Failure to Disclose Stock/Inventories

Review of the financial statements and other important disclosures revealed that Management did not disclose the value of inventory as at the close of the period as required by the template. In addition, the Management did not carry out a stock take at the end of the financial year.

In the circumstances, the value of stock/inventory and compliance with the reporting template could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.7,730,560 and Kshs.6,934,799 respectively resulting to under-funding of Kshs.795,761 or 10.29% of the budget. However, the School spent a balance of Kshs.8,587,338 against actual receipts of Kshs.6,934,799 resulting to an over-utilization of Kshs.1,652,539 or 23.83% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.541,067 and Kshs.3,341,602 respectively. Comparison of data from National Education Management and Information System (NEMIS) with the Schools records/register revealed that the number of students in NEMIS between July to December, 2020 was four hundred and five (405) while the school

records/register indicated four hundred and fifty-four (454) resulting to a variance of forty-nine (49) students while between February and April, 2021 the NEMIS indicated four hundred and six (406) students against four hundred and ninety-seven (497) in the school register resulting in a variance of ninety-one (91). This was contrary to the Ministry of Education Circular Ref. MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

2. Poor Management of Textbooks

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that two thousand three hundred and twenty-nine (2,329) textbooks which were indicated to have been sent to Keekonyokie Mixed Secondary School have not been delivered to the school. A further sixty-four (64) textbooks were supplied in excess during the year 2020-2021. In addition, student text book ratio is not 1:1 for some of the textbooks, lost textbooks had not been replaced and six (6) textbooks had been damaged.

In the circumstances, value for money on the text books could not be confirmed.

3. Failure to Prepare School Improvement Plan

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

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

4. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,341,602 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.810,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no funds were transferred to infrastructure account. Review of bank statement for operation and infrastructure account revealed that Management did not transfer any amount for maintenance and improvement to school infrastructure account as required

by Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

5. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.6,934,799 and Kshs.6,785,158 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

6. Late Submission of Financial Statements for Audit

During the period under review, Management submitted financial statements to the Auditor-General on 4 June, 2024 thirty-three (33) months after the statutory date 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, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

7. Failure to Prepare a Balanced Budget

The statement of budgeted versus actual amounts reflects final receipts budget of Kshs.7,730,560 and final expenditure budget of Kshs.8,851,050 resulting in a variance of Kshs.1,120,490. This is contrary to Regulation 33 (c) of the Public Finance Management (National Government) Regulations, 2015 which requires budget to be balanced.

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

8. Failure to Bank Income from Parents Contributions

The statement of receipts and payments and Note 3 to the financial statements reflects income from parents' contribution totalling Kshs.3,052,130 which was all received in cash. However, only Kshs.775,500 was banked resulting to unbanked receipts totalling Kshs.2,276,630 which was spent at source contrary to Regulation 64 (4) of Public Finance

Management (National Government) Regulations, 2015 which provides that all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a national government entity, shall be paid into the designated bank accounts of the national government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law.

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

9. Failure to Deduct and Remit National Social Security Fund (NSSF) and National Hospital Insurance Fund (NHIF) Payments

The statement of receipts and payments and Note 6 to the financial statement reflects payments for operation totalling Kshs.3,285,059. Included in this amount is Kshs.905,000 in respect of personnel emoluments. However, the payroll data availed for audit review indicates that the management did not deduct and remit NSSF and NHIF payments contrary to Section 19 (1) of NSSF ACT 2013 which states that every employer who, under a contract of service, employs one employee or more shall register with the Fund as a contributing employer and shall, register his employee or employees, as members of the Fund and Section 20 (a) (b) which sets the employer's contribution at six per centum of the employee's monthly pensionable earnings and the employee's contribution at six per centum of the employee's pensionable earnings deducted from the employee's earnings.

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

10. Failure to Maintain an Updated List of Registered Suppliers

Review of records revealed that Management did not maintain an updated list of registered supplier's contrary to Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 which requires all the public entities to maintain an updated list of registered suppliers.

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

11. Failure to Comply with Prescription on Principals, Board of Management and Committees' Terms of Services and Entitlement

The school operated with a duly constituted board. However, appointment letters of Board of Management members were not provided. This is contrary to Paragraph B.7 PSC HR Policies of May, 2016 which states that before taking up duty, a person appointed to any office will be issued with the appropriate letter of offer of appointment, as the case may be, which must be signed before he commences his/her duties. It was further observed that the Board of management members were being paid an allowance at a rate of Kshs.4,000 for the chair and Kshs.3,000 for the other members the basis of which could not be ascertained as there were no board resolutions approving the rates of allowances.

In the circumstances, Management was in breach the law.

12. Irregular Payments from Boarding and School Fund

The statement of receipts and payments and Note 7 to the financial statements reflects boarding and school fund payments totalling Kshs.2,970,476. The payments relate to goods and services procured in cash without following any procurement process contrary to Regulation 68 of Public Procurement and Assets Disposal Regulations, 2020 which states that standard tender documents envisaged under Sections 9(1)(f) and 70(1) of the Act, shall be developed by the Authority for use by all procuring entities as set out in the Eighth Schedule and the Authority shall issue and publicize the format of procurement documents to be used and issue standard forms by which a procuring entity shall carry out specific procurement procedures. The documents used by a procuring entity shall be clear and bear references to the procurement requirement, provision for dates and signatures of authorizing officers. Pursuant to Section 70(4) of the Act, the accounting officer of a procuring entity shall prepare the tender document clearly indicating the technical and financial evaluation criteria to be applied which shall be quantifiable, measurable and objective in line with the provisions of Section 80(3) of the Act in consultation with the user department and other relevant departments.

In the circumstances, Management was in breach the law

13. Failure to Maintain a Fixed Assets Register

Review of the financial statements and other important disclosures revealed that Management did not maintain an up-to-date fixed assets register thereby exposing the assets owned by the school to theft, losses, wastage, misuse and damage. This is contrary to Regulation 139 of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer of a National Government entity to take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse; movement and conditions of assets can be tracked and stock levels are at an optimum and economical level.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 the 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of an intention to terminate the School or to cease operations.

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 January, 2025

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	JAN-JUN2021	2020-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	541,067.00	686,755.00
Capitation grants for operations	2	3,341,601.75	4,788,800.00
School Fund Income- Parents' Contributions	3	3,052,130.00	2,308,910.00
School Fund Income- Other receipts	4	-	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		6,934,798.75	7,784,465.00
PAYMENTS			
Payments for Tuition	5	529,623.00	728,562.80
Payments for operations	6	3,285,058.80	4,895,333.40
Boarding and school fund payments	7	2,970,476.00	2,308,780.00
TOTAL PAYMENTS		6,785,157.80	7,932,676.20
SURPLUS/DEFICIT		149,640.95	(148,211.20)

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

Sign: 

Name: Gabriel Tanyasis

Chair BOM

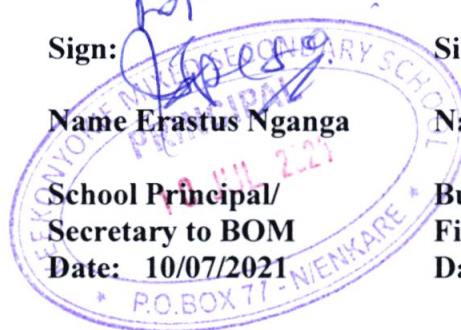
Date: 10/07/2021

Sign: 

Name Erastus Nganga

School Principal/
Secretary to BOM

Date: 10/07/2021



Sign: 

Name David Kinayia

Bursar/
Finance Officer

Date: 10/07/2021

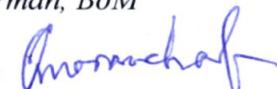
**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

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

	Note	JAN-JUN2021 Kshs	2020-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	148,355.94	2,119.99
Cash Balances	9	3671.00	266.00
Short term Investment	10	-	-
Total Cash and cash equivalent		<u>152,026.94</u>	<u>2,385.99</u>
Account's receivables	11	1,222,376.00	1,391,284.00
TOTAL FINANCIAL ASSETS		1,374,402.94	1,393,669.99
FINANCIAL LIABILITIES			
Accounts Payables	12	(1,117,860.00)	(422,672.00)
NET FINANCIAL ASSETS		256,542.94	970,997.99
REPRESENTED BY			
Accumulated Fund b/fwd	13	257,526.99	675,474.19
Surplus/Deficit for the year		149,640.95	(148,211.20)
NET FINANCIAL POSSITION		407,167.94	527,262.99

The School's financial statements were approved on _____ 2021 and signed by:

Name: Gabriel Tanyasis
Chairman, BoM

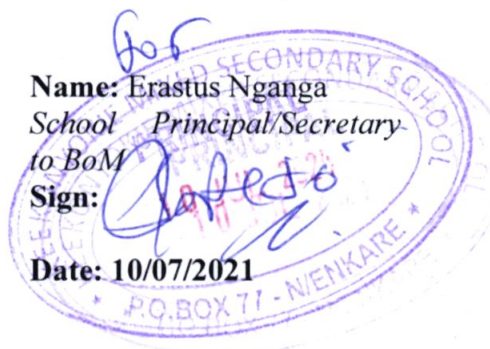
Sign: 

Date: 10/07/2021


Name: Erastus Nganga
School Principal/Secretary
to BoM

Sign: 

Date: 10/07/2021



Name: David Kinayia
Bursar/Finance

Sign: 

Date: 10/07/2021

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		JAN-JUN2021	2020-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	541,067.00	686,755.00
Capitation grants for operations	2	3,341,601.75	4,788,800.00
School fund income- Parents contributions/ fees	3	3,052,130.00	2,308,910.00
School fund income- other receipts	4	-	-
Total receipts		6,934,798.75	7,784,465.00
Payments			
Payments for Tuition	5	529,623.00	728,562.80
Payments for operations	6	3,285,058.80	4,895,333.40
Boarding and school fund payments	7	2,970,476.00	2,308,780.00
Total payments		6,785,157.80	7,932,676.20
Net cash flow from operating activities		149,640.95	(148,211.2)
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		149,640.95	(148,211.2)
Cash and cash equivalent at BEGINNING of the year		2,385.99	150,597.19
Cash and cash equivalent at END of the year		152,026.94	2,385.99

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

Keekonyokie Mixed Day Secondary School
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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	994,560.00	-	994,560.00	541,067.00	453,053.00	54%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
SUB TOTAL	994,560.00	-	994,560.00	541,067.00	453,053.00	54%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,004,000.00	-	1,004,000.00	996,480.52	7,519.48	99%
Repairs and maintenance	1,200,000.00	-	1,200,000.00	1,162,560.61	37,439.39	97%
Local transport / travelling	564,000.00	-	564,000.00	518,240.26	45,759.74	92%
Electricity and water	334,000.00	-	334,000.00	332,160.18	1,839.82	99%
Medical	-	-	-	-	-	-
Administration costs	354,000.00	-	354,000.00	332,160.18	21,839.82	94%
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
SUB TOTAL	3,456,000.00	-	3,456,000.00	3,341,601.75	114,398.25	97%

Keekonyokie Mixed Day Secondary School
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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
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,280,000.00	-	1,280,000.00	1,221,452.00	58,548.00	94%
Repairs and maintenance	-	-	-	-	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
Kitchen/Lunch	2,000,000.00	-	2,000,000.00	1,830,678.00	169,322.00	92%
SUB TOTAL	3,280,000.00		3,280,000.00	3,052,130.00	227,870.00	93%[^]
OTHER INCOME						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	-	-	-
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire	-	-	-	-	-	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Income from any other investment	-	-	-	-	-	-
TOTAL INCOME	7,730,560.00		7,730,560.00	6,934,798.75	795,761.25	90%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference	110,000.00	-	110,000.00	105,915.00	4,085.00	96%

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
materials						
Exercise books	215,000.00	-	215,000.00	211,830.00	3,170.00	98%
Laboratory equipment	85,000.00	-	85,000.00	79,436.00	5,564.00	93%
Internal exams	38,000.00	-	38,000.00	37,070.00	930.00	98%
Teaching / learning materials	55,000.00	-	55,000.00	52,958.00	2,042.00	96%
Chalks	17,000.00	-	17,000.00	15,887.00	1,113.00	93%
Exams and assessment	-	-	-	-	-	-
Reference books	28,000.00	-	-	26,479.00	1,521.00	95%
Administration costs	-	-	-	-	-	-
Bank Charges	50.00	-	50.00	48.00	2	96%
	548,050	-	548,050.00	529,623.00	18,427.00	97%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	920,000.00	-	920,000.00	905,000.00	15,000.00	98%
Repairs, maintenance & improvements	3,200,000.00	-	3,200,000.00	3,115,150.00	84,850.00	97%
Local transport / travelling	83,000.00	-	83,000.00	75,000.00	8,000.00	90%
Electricity, water and conservancy	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	470,000.00	-	470,000.00	459,290.80	10,709.20	98%
Activity Expenses	60,000.00	-	60,000.00	56,100.00	3,900.00	94%
S.E.S	450,000.00	-	450,000.00	414,698.00	35,302.00	92%
Kitchen/Lunch	70,000.00	-	70,000.00	64,000.00	6,000.00	91%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	340,000.00	-	340,000.00	336,300.00	3,700.00	99%
Repairs, maintenance and	350,000.00	-	350,000.00	341,250.00	8,750.00	98%

**Keekonyokie Mixed Day Secondary School
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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
improvements						
Local transport / travelling	130,000.00	-	130,000.00	120,200.00	9,800.00	92%
Electricity, water and conservancy	200,000.00	-	200,000.00	187,000.00	13,000.00	94%
Medical Expenses	-	-	-	-	-	-
Kitchen/Lunch	1,850,000.00	-	1,850,000.00	1,764,370.00	85,630.00	95%
Administration cost	180,000.00	-	180,000.00	165,806.00	14,194.00	92%
S.E.S	-	-	-	-	-	-
Lunch programme	-	-	-	-	-	-
Boarding Equipment and Stores	-	-	-	-	-	-
Expenditure for Income Generating Activity	-	-	-	-	-	-
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
TOTALS	8,851,050.00	-	8,851,050.00	8,587,337.80	263,712.20	97%

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

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 2021.

**Keekonyokie Mixed Day Secondary School
Annual Report and Financial Statements
For the Six Months ended 30th June 2021**

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	JAN-JUN2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	531,067.00	686,755.00
TRANSFER(SCHOOL FUND)	10,000.00	-
Exams and assessment	-	-
Teachers guides	-	-
Total	541,067.00	686,755.00

2 CAPITATION GRANT FOR OPERATIONS

	JAN-JUN2021	2020-2020
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
FDSE	3,321,601.75	4,788,800.00
Administration costs	-	-
Transfer(SCHOOL FUND)	20,000.00	-
Total	3,341,601.75	4,788,800.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	JAN-JUN2021	2020-2020
	Kshs	Kshs
Personnel emoluments	1,221,452.00	926,388.00
Kitchen/Lunch	1,830,678.00	1,382,522.00
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Total	3,052,130.00	2,308,910.00

**Keekonyokie Mixed Day Secondary School
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	JAN-JUNE 2021	2020-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Income from farming activities	-	-
Insurance compensation	-	-
Income from Posho mill	-	-
Income from Bus Hire	-	-
Fee for hire of ground and equipment	-	-
Income from grants and donations*	-	-
Interest income	-	-
Dividends income	-	-
Total	-	-

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 PAYMENTS FOR TUITION

	JAN-JUN 2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	509,575.00	728,486.00
Chalks	-	-
Reference books	-	-
Teachers guides	-	-
Administration Costs	20,048.00	-
Bank Charges	-	76.20
Total	529,623.00	728,562.80

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	JAN-JUN2021	2020-2020
	Kshs	Kshs
Personnel emoluments	905,000.00	1,270,400.00
Service Gratuity	-	-
Administration Cost	459,110.80	831,115.20
Repairs and maintenance & improvements	1,311,150.00	2,412,208.60
Local transport / travelling	75,000.00	-
Electricity and water	-	62,600.00
Kitchen/lunch	64,000.00	-
Activity Expenses	56,100.00	274,000.00
S.E.S	414,698.00	-
Insurance Cost	-	-
Bank Charges	-	-
INFRASTRUCTURE A/C	-	45,009.6
TOTAL	3,285,058.80	4,895,333.40

7 BOARDING AND SCHOOL FUND PAYMENTS

	JAN-JUN2021	2020-2020
	Kshs	Kshs
Personnel emoluments	336,300.00	676,900.00
Stationery	55,550	35,500.00
Repairs and maintenance & Improvements	341,250.00	186,490.00
Local transport / travelling	120,200.00	63,450.00
Electricity and water	187,000.00	-
Activity	-	32,820.00
Administration costs	165,806.00	109,800.00
Lunch Programme	1,764,370.00	1,203,820.00
Bank Charges	-	-
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	2,970,476.00	2,308,780.00

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	JAN-JUN2021	2020-2020
		Kshs	Kshs
Tuition Account		12,085.00	641.00
Operations Account		56,849.39	306.44
School Fund Account/Boarding		78,588.15	339.15
Savings Account		-	-
Parent Association Development Account		-	-
Income generating activities Account		-	-
Infrastructural Account		833.40	833.40
Total		148,355.94	2,119.99

9 CASH IN HAND

Description	JAN-JUN2021	2020-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	3,671	266.00
Total	3,671	266.00

10 SHORT TERM INVESTMENTS

Description	JAN-JUN2021	2020-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	JAN-JUN2021	2020-2020
	Kshs	Kshs
Fees arrears	1,222,376.00	1,391,284.00
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
Total	1,222,376.00	1,391,284.00

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

Description	JAN-JUN2021	2020-2020
	Kshs	Kshs
Fees arrears for current year	563,970.00	1,097,713.00
Fees arrears for the previous year	364,835.00	134,311.00
Fees arrears for prior periods (over two years)	293,571.00	159,260.00
Total	1,222,376.00	1,391,284.00

12 ACCOUNTS PAYABLE

Description	JAN-JUN2021	2020-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	531,565.00	169,362.00
Prepaid fees	586,295.00	253,310.00
Retention monies	-	-
Total	1,117,860.00	422,672.00

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

Description	JAN-JUN2021	2020-2020
	Kshs	Kshs
Trade creditors for current year	500,000.00	169,362.00
Trade creditors for the previous year	31,565.00	0
Trade creditors for prior periods (over two years)	0	-
Total	531,565.00	169,362.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	JAN-JUN2021	2020-2020
	Kshs	Kshs
Bank balances	2,119.99	150,331.19
Cash balances	266.00	266.00
Short Term Investments	-	-
Receivables	658,406.00	898,359.00
Payables	(403,265.00)	(373,482.00)
Total	257,526.99	675,474.19

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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	JAN-JUN2021	2020-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	JAN-JUN2021	2020-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

Description	JAN-JUN2021	2020-2020
	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	JAN-JUN2021	2020-2020
	KShs	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	-	-

ITEM	UNIT OF ISSUE	QUANTITY AS 30 TH JUNE 2021	UNIT PRICE	TOTAL VALUE
SUGAR	58BAGS(50KG)	0	6000	348,000
COOKING OIL	360L	0	1400	504,000
COFFEE	12CARTONS	0	1440	17,280
SALT	90KG	0	55	4,950
RICE	43.2BAGS(25KG)	0	2000	86,400
CABBAGES	1368 PIECES	0	30	41,040
BEANS	26 BAGS(90KG)	0	6000	156,000
MAIZE	30 BAGS(90 KG)	0	4000	120,000
TEA LEAVES	90pkts(100g)	0	100	9,000
MEAT	324 KGS	0	700	226,800
MILK	720 BOTTLES	0	50	36,000
ONIONS	36 KG	0	100	3,600
MAIZE FLOUR	1,080 KG	0	60	64,800
BREAD	2,160 PIECES	0	50	108,000
COOKING WATER	216,000L	0	8000	172,800
FIREWOOD	72 TONNES	0	2000	144000

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)

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

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d = a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. FREJA HARDWARE	52,450.00	2021	-	52,450.00	52,450.00	
2.						
Sub-Total	52,450.00					
Supply of goods						
3. JOY COMPUTER	237,115.00	2021	-	237,115.00	237,115.00	
4. JAYSTEF INVESTMENT	192,000.00	2021	-	192,000.00	192,000.00	
5.						
Sub-Total	429,115.00					
Supply of services						
6. HIGHMARK SERVICES	20,000.00	2021	-	20,000.00	20,000.00	
7. JETLINK SERVICES	30,000.00	2021	-	30,000.00	30,000.00	
8.						
Sub-Total	50,000.00					
Grand Total	531,565.00			531,565.00	531,565.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021	
Land 1	2015	N/ENKARE	DONATED	-	-	-	
Land 2	N/A	N/A	N/A	N/A	N/A	N/A	
Buildings and structures							
2 Classrooms	2018	N/ENKARE	2,000,000.00	-	-	2,000,000.00	
2 Classrooms	2019	N/ENKARE	2,000,000.00	-	-	2,000,000.00	
2 Classrooms	2021	N/ENKARE	2,000,000.00	-	-	2,000,000.00	
1 Lab	2020	N/ENKARE	4,400,000.00	-	-	4,400,000.00	
1 Kitchen	2019	N/ENKARE	1,200,000.00	-	-	1,200,000.00	
8 door toilet	2018	N/ENKARE	500,000.00	-	-	500,000.00	
6 door toilet	2020	N/ENKARE	480,000.00	-	-	480,000.00	
Office	2020	N/ENKARE	380,000.00	-	-	380,000.00	
Staffroom	2019	N/ENKARE	380,000.00	-	-	380,000.00	
5000 litres tank	2018	N/ENKARE	65,000.00	-	-	65,000.00	
10000 litres tank	2019	N/ENKARE	80,000.00	-	-	80,000.00	
5000 litres tank	2021	N/ENKARE	65,000.00	-	-	65,000.00	
Motor vehicles	N/A	N/A	N/A	N/A	N/A	N/A	
Office equipment, furniture and fittings							
Office chairs							
7	7	2017	N/ENKARE	39,000.00	-	-	39,000.00
1	1	2017	N/ENKARE	30,000.00	-	-	30,000.00
6	6	2018	N/ENKARE	39,000.00	-	-	39,000.00
6	6	2019	N/ENKARE	39,000.00	-	-	39,000.00
2	3	2021	N/ENKARE	18,000.00	-	-	18,000.00

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Dining set of 6	2018	N/ENKARE	15,000.00	-	-	15,000.00
8 tables (lab)	2018	N/ENKARE	48,000.00	-	-	48,000.00
Students chair and desks 80	2016	N/ENKARE	280,000.00	-	-	280,000.00
100	2017	N/ENKARE	350,000.00	-	-	350,000.00
100	2018	N/ENKARE	350,000.00	-	-	350,000.00
100	2019	N/ENKARE	350,000.00	-	-	350,000.00
50	2021	N/ENKARE	M.O.E	-	-	-
20	2021	N/ENKARE	80,000.00	-	-	80,000.00
ICT Equipment, and Other ICT Assets						
Desktop	2021	N/ENKARE	45,000.00	45,000.00	-	45,000.00
Laptop	2021	N/ENKARE	60,000.00	60,000.00	-	60,000.00
Photocopy printer(Kyocera)	2018	N/ENKARE	220,000.00	220,000.00	-	220,000.00
Epson printer	2020	N/ENKARE	30,000.00	30,000.00	-	30,000.00
Desktop	2021	N/ENKARE	45,000.00	45,000.00	-	45,000.00
Printer(laserjet)	2021	N/ENKARE	15,000.00	15,000.00	-	15,000.00
laptop	2021	N/ENKARE	60,000.00	60,000.00	-	60,000.00
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Zeraki analytics exam	2021	N/ENKARE	62,000.00	-	-	62,000.00
Total						

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