

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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REPORT

OF

THE NATIONAL ASSEMBLY
PAPERS LTD

DATE: 15 NOV 2023

THE AUDITOR-GENERAL

TABLED
BY:

DEPUTY MAJORITY
LEADER

ON

CLERK-AT
THE-TABLE:

ST. ANNES KISOKO GIRLS HIGH SCHOOL

**FOR THE YEAR
ENDED 30 JUNE, 2021**

BUSIA COUNTY



ST. ANNES KISOKO GIRLS
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED
30th June 2021

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

ST. ANNES KISOKO GIRLS
PUBLIC SECONDARY SCHOOL
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PUBLIC SECONDARY SCHOOLS - ST. ANNES KISOKO GIRLS
Reports and Financial Statements
For Six months period ended 30th June 2021

I. KEY SCHOOL INFORMATION AND MANAGEMENT

[Customise the details in this section to suit your School]

(a) Background information

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

The school was re-registered in 24/11/2021 under registration number 40S300000191 and is currently categorized as an extra county (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a boarding school and had **1556** number of students as at 30th June 2021. It has 08 streams and 52 teachers of which 26 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	Norbert wabwire omanyu	Chairman	19/03/2019
2	Ongume Angeline	Secretary- Principal	19/03/2019
3	Isaac Otisa	Member	19/03/2019
4	Nicodemus Mulaku	Member	19/03/2019
5	Charles khayira	Member	19/03/2019
6	Priscilla were	Member	19/03/2019
7	Shadrack Etyang	Member	19/03/2019
8	Kanoti Dindi	Member – Rep CEB	19/03/2019
9	Ncabani E. Kainyu	Member Rep Teachers	19/03/2019
10	Fr. James Otaga, Benard Makeni, Violet Kafwa	3 Members - Sponsor	19/03/2019
11	Pauline Wafula	Member - Community	19/03/2019
12	Makwata Fanuel	Member Special Needs	19/03/2019
13	Mourine Simiyu	Rep Students	19/03/2019

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

- 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	Norbert Wabwire Angeline Ongume James Otaga Shadrack Etyang Priscilla Were	Chairman Secretary/ Principal sponsor member member	3 out of 3
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Charles Khayira Nicodemus Mulaku James Otaga Angeline Mukula	Vice chair Member Sponsor Secretary/Principal	2 out of 3
4	Academic Committee	Prof. Violet Kafwa Benard Makeni Priscilla Were Elsie Ncabani Charles khayira	Chair lady member member member member	2 out of 3
5	Development Committee	Kanoti Dindi Isaac Otisa Pauline Wafula Makwata Fanuel	Chairman member member member member	2 out of 3

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6	Discipline and welfare Committee	Gervas Akhaabi, Shadrack Etyang, Joseph Pamba, Elsie Ncabani	Chairman P.A chair Member member	2out of 3
7	Adhoc Committee (if any during the year)	N/A		

(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	MRS. ANGELINE ONGUME	305445
2	Deputy Principal	SR. KALEE TERESIA NDAMBUKI	378685
3	School Bursar	SILVESTER MULELE	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 16 Nambale
Telephone: 0794538626
E-mail: kisokogirls1@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The following school operated 07 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: NBK
Branch: BUSIA
Account Number: 01025036813300
2. Name of Bank: NBK
Branch: BUSIA
Account Number: 01242036813303
3. Name of Bank: NBK
Branch: BUSIA
Account Number: 01021036813301
4. Name of Bank: NBK
Branch: BUSIA
Account Number: 01242036813302
5. Name of Bank: NBK
Branch: BUSIA
Account Number: 01022036813300
6. Name of Bank: NBK
Branch: BUSIA
Account Number: 01242037196900
7. Name of Bank: NBK
Branch: BUSIA
Account Number: 01129235352100

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8. 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

ST. ANNES KISOKO GIRLS
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II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

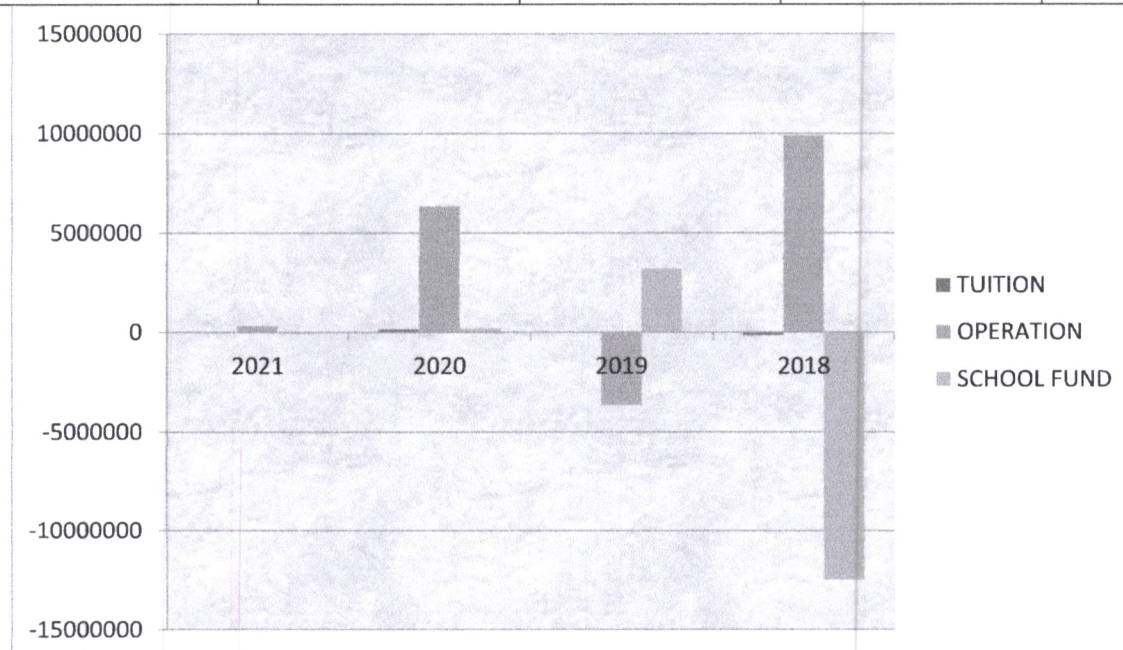
The following is a summary report of the performance of the school against the set performance evaluation criteria:

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*

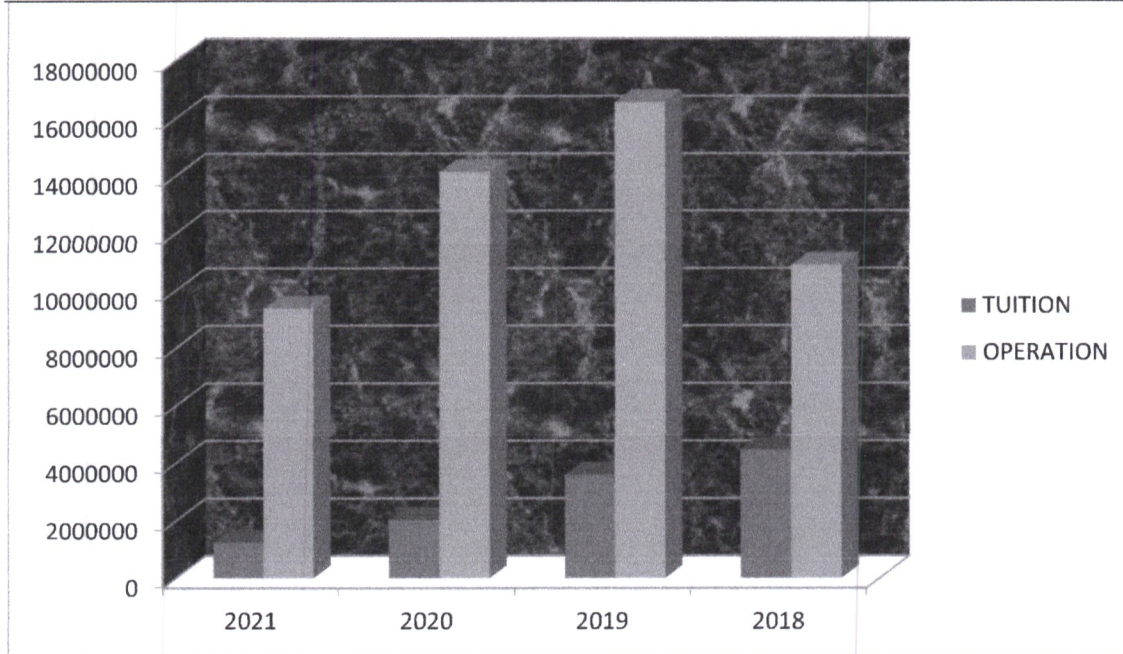
YEAR	2021	2020	2019	2018
TUITION	15,162	149934.45	17733.85	(169447)
OPERATION	281,765	6337959.65	(3649806.85)	9876282.70
SCHOOL FUND	(79,767)	184598.70	3201314.80	(12477327.95)



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

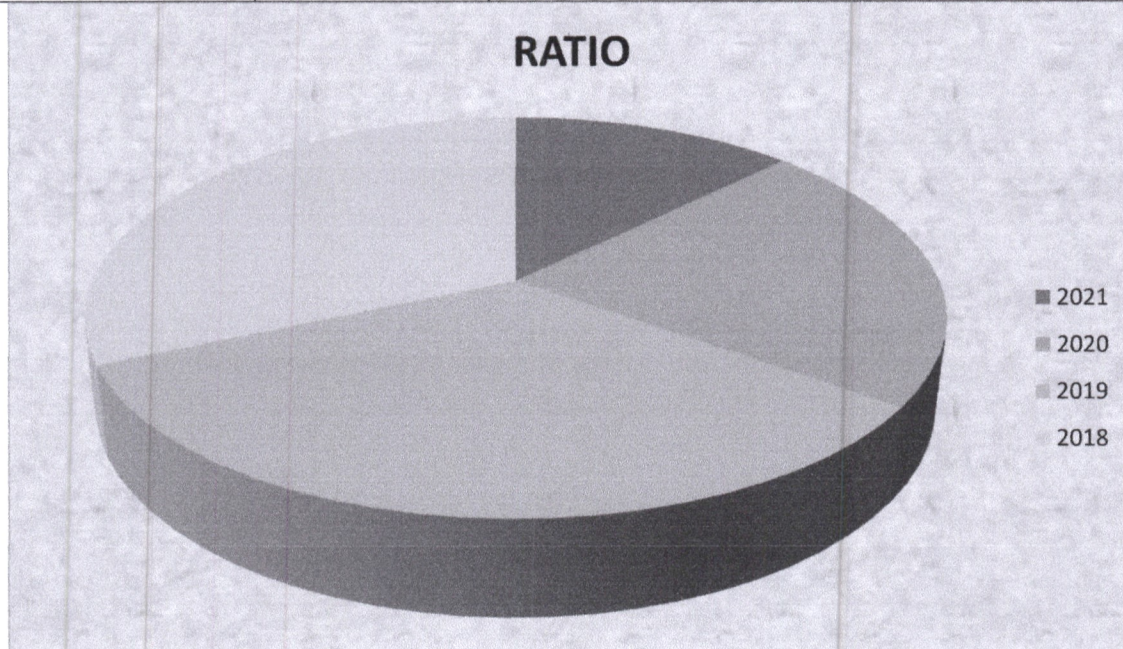
YEAR	2021	2020	2019	2018
TUITION	1,252,242	2038700.00	3600123.85	4480195.00
OPERATION	9,379,505	14143252.40	16572910.15	10899807.00
TOTAL	10,631,747	16181952.40	20173034.00	15380002.00

**ST.ANNES KISOKO GIRLS
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- Ratio of capitation grant per student over the last three years

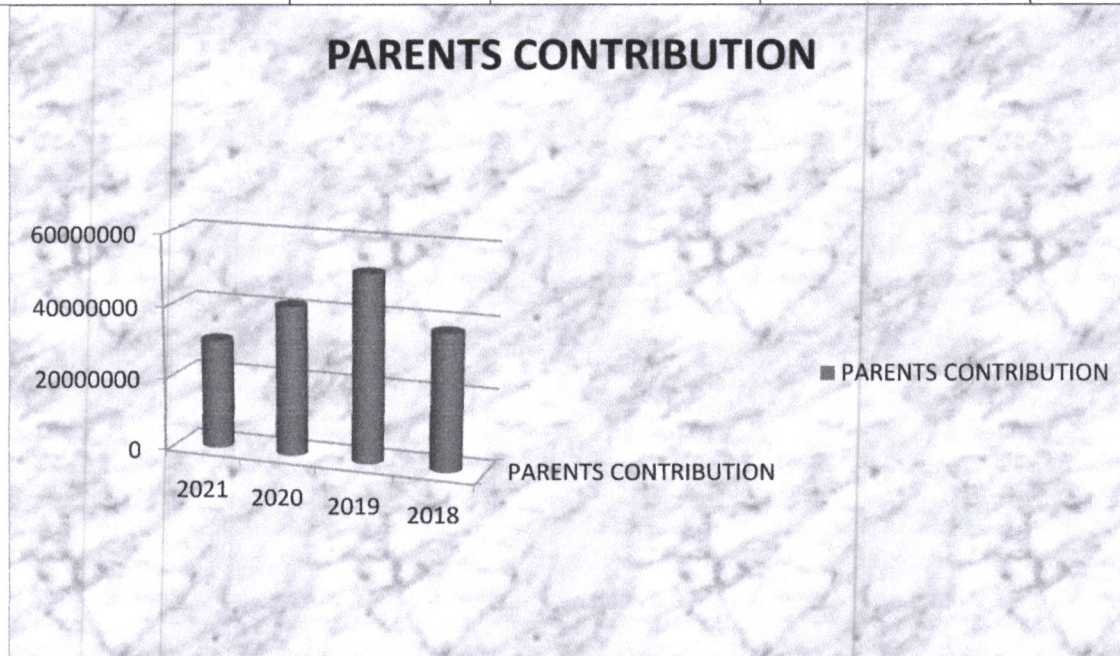
YEAR	2021	2020	2019	2018
RATIO	6833	12031.19	18141.21	17069.92



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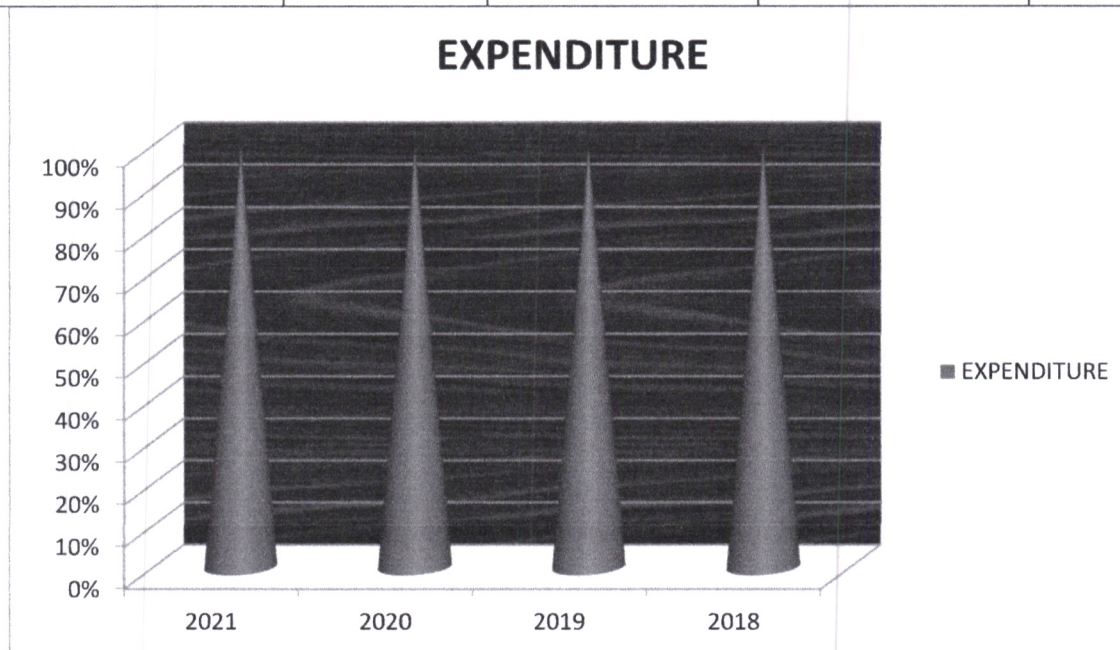
- *A three-year overview of growth of other income(s) earned by the school.*

YEAR	2021	2020	2019	2018
PARENTS CONTRIBUTION	30257149	41475793.10	52022581.20	37841834.00



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

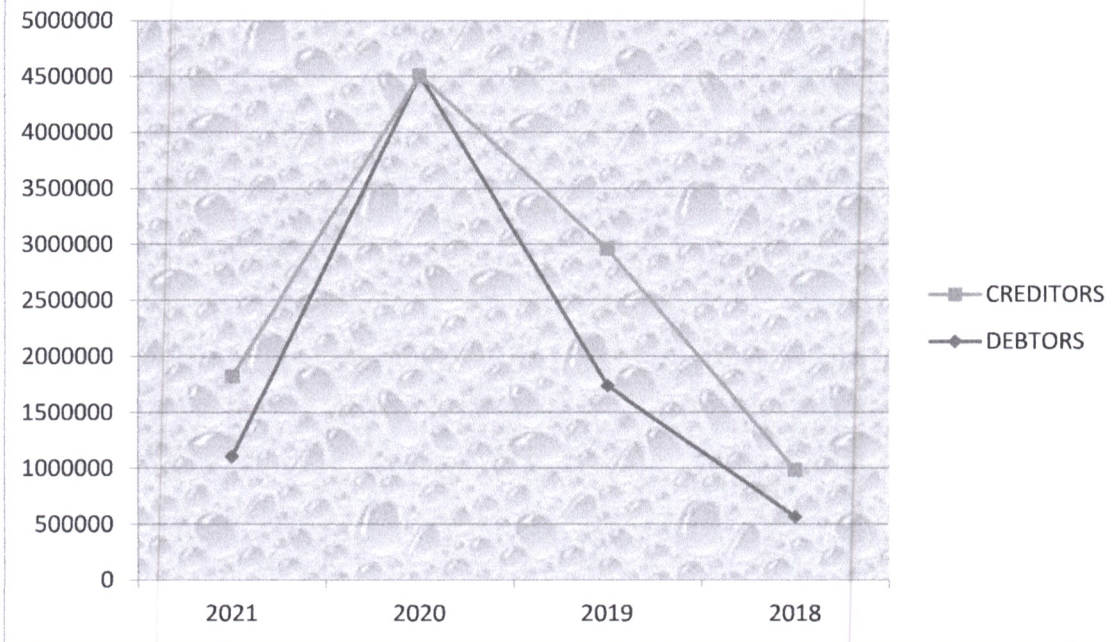
YEAR	2021	2020	2019	2018
EXPENDITURE	40237602	50985252.70	72626373.40	55992328.25



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

YEAR	2021	2020	2019	2018
DEBTORS	1103030	4507589.00	1737180.00	566181.00
CREDITORS	717330	0.00	1221737.00	417995.00

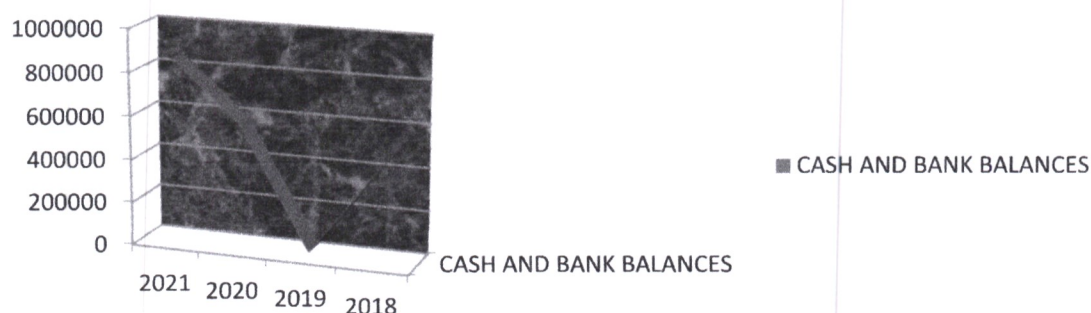


- *Movement of cash and bank balances over the last three years*

YEAR	2021	2020	2019	2018
CASH AND BANK BALANCES	857782	578795.96	23001.95	439178.95

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CASH AND BANK BALANCES



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

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.

Number of teachers employed by TSC	26
Number of teachers employed by BOM	26
Number of teachers transferred	00
Number of teachers posted	00
Number of teachers retired	00
Teachers to student ratio	29:1 TEACHER

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.

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YEAR	ENTRY	MEAN GRADE	MEAN SCORE	UNIVERSITY ENTRY
2021	246	5.4344	c-	45
2020	246	5.91	c	45
2019	205	5.22	c-	40

d) Number of Candidates in the 2021 KCSE:

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

YEAR	ENTRY
2021	246
2020	246
2019	205

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.

DETAILS	NUMBER
DORMITORIES	15
DINNING HALL	01
LABORATORIES	03
TOILETS	86 doors
KITCHEN	01
CLASSROOMS	24

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f) Development projects carried out by the school:

Development projects carried out in the year and on-going projects including a disclosure of project fund sources in a tabular format

<i>YEAR</i>	<i>SOURCE OF FUNDS</i>	<i>AMOUNT SPENT</i>	<i>STATUS</i>	<i>PROJECT</i>
2021	MI	1,601,277	ON-GOING	DORMITORY UNDER CONSTRUCTION
2021	MI	697,000	ON-GOING	LABARATORY
2021	MI	256,910	ON-GOING	TWO CLASS ROOM

Sign *Patty Vincent*

School Principal **PATTY VINCENT**



**ST. ANNES KISOKO GIRLS
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III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

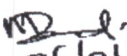
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

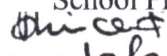
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.


The Board of Management of *ST. ANNES KISOKO GIRLS HIGH 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 new Board of management was appointed and inaugurated on 7th may 2022 whose chairman is Prof. Benard Sore and the Principal/Secretary B.O.M Mrs Patty Vincent.

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: **MWORI BENARD SORE**
Designation: Chairman, School Board of Management
Sign: 
Date: 26/7/2023

Name: **PATTY VINCENT**
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 26/7/2023

Name: **SILVESTER MUKETE**
Designation: Bursar/ Finance Officer
Sign: 
Date: 26/07/2023



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. ANNES KISOKO GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – BUSIA COUNTY

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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the 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 St. Annes Kisoko Girls High School - Busia County set out on pages 1 to 18 which comprise of the financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget versus actual amounts for the six months'

*Report of the Auditor-General on St. Annes Kisoko Girls High School for the six months' period ended 30 June, 2021-
Busia County*

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Capitation Grants for Tuition

As disclosed in Note 1 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.1,252,242 in respect of capitation grants for operations. However, review of the supporting schedule and NEMIS capitation disbursement extract revealed Kshs.1,749,465, resulting to unexplained and unreconciled variance of Kshs.497,223.

In the circumstances, the accuracy and completeness of an amount of Kshs.1,252,242 in respect of capitation grants for tuition could not be confirmed.

2. Inaccuracies in the Capitation Grants for Operations

As disclosed in Note 2 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.9,379,505 in respect of capitation grants for operations. However, review of the supporting schedule and NEMIS capitation disbursement extract revealed an amount of Kshs.8,208,520, resulting to unexplained and unreconciled variance of Kshs.1,170,985.

In the circumstances, the accuracy and completeness of an amount of Kshs.9,379,505 in respect of capitation grants for operations could not be confirmed.

3. Unsupported Expenditure on Maintenance and Improvements

As disclosed in Notes 6 and 7 to the financial statements, the statement of receipts and payments reflects payments for operations and boarding and school payments amounts of Kshs.9,097,740 and Kshs.29,902,782 respectively which include amounts of Kshs.2,555,190 and Kshs.1,413,122 in respect of repairs and maintenance and improvements, all totaling to Kshs.3,968,312. However, review of documents revealed that the school undertook development projects costing Kshs.2,555,187 resulting in an unexplained and an unreconciled variance of Kshs.1,413,125. In addition, supporting details including payment vouchers, bills of quantities, contract agreements, project site meeting minutes, project supervisor reports and statement for payment on accounts certificates were not provided for audit.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.3,968,312 in respect of repairs and maintenance improvements could not be confirmed.

4. Undisbursed Capitation Grants for Operations

As disclosed in Note 2 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.30,257,149 in respect of School fund income- parents' contributions. However, supporting documents including student fee receipts summary and Review of the Ministry of Education Circular Ref No. MOE.HQS/3/13/3 of 16 June, 2021 on the implementation of Free Day Secondary Education (FDSE) for the year 2021-2022 confirmed capitation grants of Kshs.200 per student in respect of activity as per NEMIS student enrolments. During the year under review, the Ministry disbursed capitation grants to the School for an average of 1,190 students. However, review of the NEMIS capitation acknowledgment records maintained by the School revealed that the amount of Kshs.200 per student was not received by the School resulting to total amounts of Kshs.266,400 in respect of SMASSE which was not disbursed. In the circumstances, the accuracy and completeness of the allocation of capitation grants to the School could not be confirmed.

5. Unsupported School Fund Income- Parents' Contributions

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.30,257,149 in respect of School fund income- parents' contributions. However, supporting documents including student fee receipts summary and schedules were not provided for audit.

In the circumstances, the accuracy and completeness of an amount of Kshs.30,257,149 in respect of School fund income- parents' contributions could not be confirmed.

6. Unsupported Payments for Tuition

As disclosed in Note 5 to the financial statements, the statement of receipts and payments an amount of Kshs.1.237,080 in respect payments for tuition. However, supporting documents including, supporting schedules, invoices, delivery notes and issue and receipt vouchers were not provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.1.237,080 in respect of payments for tuition could not be confirmed.

7. Unsupported Payments for Operations

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.9,097,740 in respect of payments for operations. However, supporting documents including ledger schedules, inspection and acceptance reports, invoices, delivery notes and issue and receipt vouchers were not provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.9,097,740 in respect of payments for operations could not be confirmed.

8. Unsupported Boarding and School Fund Payments

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amounts of Kshs.29,902,782 in respect of boarding and school payments. However, supporting documents including ledger schedules, inspection and acceptance reports, invoices, delivery notes and issue and receipt vouchers were not provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.29,902,782 in respect of payments for operations could not be confirmed.

9. Unsupported Repairs and Maintenance Improvements

As disclosed in Notes 6 and 7 to the financial statements, the statement of receipts and payments reflects payments for operations and boarding and school payments amounts of Kshs.9,097,740 and Kshs.29,902,782 respectively which include amounts of Kshs.2,555,190 and Kshs.1,413,122 in respect of repairs and maintenance improvements, all totaling to Kshs.3,968,312. However, supporting documents including, Ministry of Education approvals, bills of quantities, procurement documents, contract agreements and completion of works certificates were not provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.3,968,312 in respect of repairs and maintenance improvements could not be confirmed

10. Unsupported Cash and Cash Equivalents

As disclosed in Notes 8 and 9 to the financial statements, the statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.857,782 which includes Kshs.836,794 and Kshs.20,988 in respect of bank and cash in hand balances respectively. The bank balance of Kshs.836,794 includes bank balances in five (5) bank accounts. However, one bank account balance and cash in hand were not supported with certificate of bank balances and board of cash survey report respectively. In addition the bank balances were not supported with bank reconciliation statements and bank details nor were bank account numbers presented as required by the approved reporting template.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.857,782 could not be confirmed.

11. Unsupported Accounts Receivables

As disclosed in Note 11 to the financial statements, the statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.11,052,357 in respect of fees arrears. However, supporting documents including ledger schedules and students fee statements with ageing analysis were not provided for audit.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.11,052,357 could not be confirmed.

12. Unsupported Accounts Payables

As disclosed in Note 12 to the financial statements, the statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.954,172 which includes Kshs.717,330 and Kshs.236,842 in respect of trade creditors and prepaid fees respectively. However, trade creditors balance of Kshs.717,330 was not supported with ledger schedules, invoices, delivery notes, issues, receipts, school finance committee minutes on trade creditors and students fee statements in respect of prepaid fees.

In the circumstances, the accuracy and completeness the accounts payables balance of Kshs.954,172 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St. Annes Kisoko Girls High School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final total income budget and actual on comparable basis of Kshs.75,278,425 and Kshs.40,888,896 respectively, resulting in an under-funding of Kshs.34,389,529 or 46% of the budget. Similarly, the statement reflects final budget expenditure and actual on comparable basis of Kshs.75,278,425 and Kshs.40,237,602, resulting in under-absorption of Kshs.35,040,823 or 47 % of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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

Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing the financial statements for longer period is due to the adoption of IPSAS for schools and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only one year for financial year 2020-2021. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed by the Public Sector Accounting Standards Board.

Further, the financial statements reflect comparative balances in regards to financial statements for 2019/2020 which Management has not explained their basis since this was the first year of audit.

In the circumstances, the financial statements have not been prepared in accordance with the recommended reporting template and guidelines issued by the Public Sector Accounting Standards Board.

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

Basis for Conclusion

1. Lack of a Risk Management Policy

Review of the documents and records provided for audit review revealed that the Management had not established a Risk Management Policy. This was contrary to Regulation 165(1) (a-b) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal controls that builds robust business operations.

In the circumstances, Management may not be able to identify risks and develop mitigating strategies.

2. Lack of Approved Information Technology Security Policy

Review of the School's Information Technology Systems revealed that the School did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the School to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School may be exposed to financial losses or falsification of records.

3. Lack of Insurance Cover for Property and Other Assets

Review of the financial statements and assets records revealed that the School did not have an insurance cover for property, equipment and other assets.

In the circumstances, the School's assets may be exposed to losses without compensation in case of fire, theft or any other unforeseen calamities.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the School 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to 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 controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


12 October, 2023

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

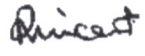
DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs
RECEIPTS		
Capitation grants for tuition	1	1,252,242
Capitation grants for operations	2	9,379,505
School Fund Income- Parents' Contributions	3	30,257,149
School Fund Income- Other receipts	4	-
Proceeds from borrowings		
TOTAL RECEIPTS		40,888,896
PAYMENTS		
Payments for Tuition	5	1,237,080
Payments for operations	6	9,097,740
Boarding and school fund payments	7	29,902,782
TOTAL PAYMENTS		40,237,602
SURPLUS/DEFICIT		651,294

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

Sign: 
 Name **MWARUI BERNARD SORAE**

Chair BOM

Date... 26/7/2023

Sign 
 Name **PATTY VINCENT**

School Principal/
 Secretary to BOM

Date... 26/7/2023

Sign 
 Name **SINESIER MUTELE**

Bursar/
 Finance Officer

Date... 26/07/2023



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

	Note	2020-2021 Kshs	2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	836,794	206,069
Cash Balances	9	20,988	419
Short term Investment	10	-	-
Total Cash and cash equivalent		857,782	206,488
Account's receivables	11	11,052,357	10,098,185
TOTAL FINANCIAL ASSETS		11,910,139	10,304,673
FINANCIAL LIABILITIES			
Accounts Payables	12	954,172	-
NET FINANCIAL ASSETS		10,955,967	10,304,673
REPRESENTED BY			
Accumulated Fund b/fwd	13	10,304,673	10,304,673
Surplus/Deficit for the year		651,294	-
NET FINANCIAL POSSITION		10,955,967	10,304,673

The School's financial statements were approved on 30th September 2021 and signed by:

Name:
Chairman, BoM

Sign: *[Signature]*

Date: 26/7/2022

Name: *PATY VINCENTI*
School Principal/Secretary
to BoM

Sign: *[Signature]*

Date: 26/7/2023

Name: *SILVESTRE MUKILE*
Bursar/Finance

Sign: *[Signature]*

Date: 26/07/2023



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

		2020-2021
		Kshs
Receipts for operating income		
Capitation grants for tuition	1	1,252,242
Capitation grants for operations	2	9,379,505
School fund income- Parents contributions/ fees	3	30,257,149
School fund income- other receipts	4	-
Total receipts		40,888,896
Payments		
Payments for Tuition	5	1,237,080
Payments for operations	6	9,097,740
Boarding and school fund payments	7	29,902,782
Total payments		40,237,602
Net cash flow from operating activities		651,294
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		651,294
Cash and cash equivalent at BEGINNING of the year		206,488
Cash and cash equivalent at END of the year		857,782

N.B There was no cash flow from investment activities during the year.

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
RECEIPTS						
(1) CAPITATION						
GRANT ON TUITION						
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	3,315,200	-	3,315,200	1,252,242	2,062,958	38%
Chalks						
Exams and assessment						
Sub Total	3,315,200	-	3,315,200	1,252,242	2,062,958	38%
(2) CAPITATION						
GRANT ON OPERATIONS						
Personnel emoluments	7,944,000	-	7,944,000	2,162,069	5,781,931	27%
Repairs and maintenance	5,600,000	-	5,600,000	4,056,065	1,543,935	72%
Local transport / travelling	1,771,200	-	1,771,200	432,617	1,338,583	24%
Electricity and water	5,056,800	-	5,056,800	1,296,682	3,760,118	26%
Medical						
Administration costs	2,233,600	-	2,233,600	1,432,072	801,528	64%

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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference c-c-d Kshs	% of Utilization f-d/c % Kshs
Activity	357,625	-	357,625	-	357,625	0%
Gratuity						
Sub Total	22,963,225	-	22,963,225	9,379,505	13,583,720	41%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	8,169,000		8,169,000	4,470,000	3,699,000	55%
Repairs and maintenance	2,800,000	-	2,800,000	1,784,400	1,015,600	64%
Local transport / travelling	1,633,800	-	1,633,800	531,108	1,102,692	33%
Electricity and water	4,901,400		4,901,400	704,622	4,196,778	14%
Fees recovered		-		148,858	(148,858)	
Administration costs	1,633,800		1,633,800	2,546,889	(913,089)	156%
Activity	700,000		700,000	102,775	597,225	15%
SMASSE						
Fee on Boarding Equipment and Stores	29162000	-	29,162,000	19,968,497	9,193,503	68%
Sub Total	49,000,000	-	49,000,000	30,257,149	18,742,851	62%
Grand total income	75,278,425	-	75,278,425	40,888,896	34,389,529	54%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials				184,000.00		
Laboratory equipment				10,000.0		
Internal exams				1,042,900		
Teaching / learning materials	3,315,200	-	3,315,200	1,042,900	2,272,300	31%

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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual on Comparable Basis d Kshs	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Bank Charges				180		
Exams and assessment						
Sub Total	3,315,200	-	3,315,200	1,237,080	2,078,120	37%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	7,944,000	-	7,944,000	2,274,936	5,669,064	29%
Repairs and maintenance	5,600,000	-	5,600,000	2,555,190	3,044,810	46%
Local transport / travelling	1,771,200	-	1,771,200	116,099	1,655,101	7%
Electricity and water Medical	5,056,800	-	5,056,800	1,851,515	3,205,285	37%
Administration costs	2,233,600	-	2,233,600	2,300,000	(66,400)	103%
Activity	357,625	-	357,625	-	357,625	0%
Gratuity						
Sub Total	22,963,225	-	22,963,225	9,097,740	13,865,485	40%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	8,169,000		8,169,000	4,394,360	3,774,640	54%
Repairs and maintenance	2,800,000	-	2,800,000	1,413,122	1,386,878	50%
Local transport / travelling	1,633,800	-	1,633,800	1,343,949	289,851	82%
Electricity and water	4,901,400		4,901,400	567,353	4,334,047	12%
Administration costs	1,633,800		1,633,800	3,384,653	(1,750,853.20)	207%

**ST. ANNES KISOKO GIRLS
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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Activity	700,000		700,000	98,563	601,437	14%
SMASSE						
Fee on Boarding Equipment and Stores	29,162,000	-	29,162,000	18,700,782	10,461,218	64%
Sub Total	49,000,000	-	49,000,000	29,902,782	19,097,218	61%
Grand total expenditure	75,278,425	-	75,278,425	40,237,602	35,040,823	53%

- I. Under income there was under funding since most of the vote heads were below 90% apart from administration cost.
- ii. Under expenditure there was underutilization in most of the vote heads apart from administration cost which was above 100%.
- iii. unrealistic estimates from budgeted income/ expenditure and actual income/expenditure was due to abrupt introduction of IPSAS in October 2021 but there was a budget in place running from 1st January 2021-31st December 2021.

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.

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X. NOTES TO THE FINANCIAL STATEMENTS

1. CAPITATION GRANT FOR TUITION

	2020-2021
	Kshs
Textbooks and reference materials	-
Exercise books	-
Laboratory equipment	-
Internal exams	-
Teaching / learning materials	1,252,242
Chalks	-
Exams and assessment	-
Teachers guides	-
Total	1,252,242

2. CAPITATION GRANT FOR OPERATIONS

	2020-2021
	Kshs
Personnel emoluments	2,162,069
Repairs and maintenance	4,056,065
Local transport / travelling	432,617
Electricity and water	1,296,682
Medical	-
Administration costs	1,432,072
Activity	-
Bom teachers	-
Total	9,379,505

3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021
	Kshs
Personnel emoluments	4,470,000
Fee on Boarding Equipment and Stores	19,968,497
Repairs and maintenance	1,784,400
Local transport / travelling	531,108
Electricity and water	704,622
Fees recovered	148,858
Administration costs	2,546,889
Activity	102,775
Total	30,257,149

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021
	Kshs
Fee on Boarding Equipment and Stores	-
Rent income	-
Income from farming activities	-
Canteen	-
Income from Posho mill	-
Income from Bus Hire	-
Fee for hire of ground and equipment	-
Income from grants and donations*	-
Tender fees	-
Dividends income	-
Total	-

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

5. PAYMENTS FOR TUITION

	2020-2021
	Kshs
Textbooks and reference materials	-
Exercise books	-
Laboratory equipment	184,000
Internal exams	10,000
Teaching / learning materials	1,042,900
Chalks	-
Exams and assessment	-
Teachers guides	-
Administration Costs	-
Bank Charges	180
Total	1,237,080

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. PAYMENTS FOR OPERATIONS

	2020-2021
	Kshs
Personnel emoluments	2,274,936
Service Gratuity	-
Administration Cost	2,300,000
Repairs and maintenance & improvements	2,555,190
Local transport / travelling	116,099
Electricity and water	1,851,515
Bom teachers	-
Activity Expenses	-
SMASSE	-
Insurance Cost	-
Bank Charges	-
Acquisition of Assets	-
TOTAL	9,097,740

7. BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021
	Kshs
Personnel emoluments	4,394,360
Service Gratuity	-
Repairs and maintenance & Improvements	1,413,122
Local transport / travelling	1,343,949
Electricity and water	567,353
Medical Expenses	
Administration costs	3,384,653
Lunch Programme	
Bank Charges	
Expenses on Income Generating Activities	
Fee on Boarding Equipment and Stores	18,700,782
Activity Expenses	98,563
Insurance Cost (Life Property)	
Tender fees	
Loan Interest repayment	
Acquisition of Assets	
TOTAL	29,902,782

*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.*

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2020
		Kshs	Kshs
Tuition Account		17,948	2,786
Operations Account		163,923	767
School Fund Account/Boarding		537,140	189,542
Savings Account		-	-
Parent Association Development Account		-	-
Income generating activities Account		-	-
Infrastructural Account		117,783	12,973
Total		836,794	206,069

9. CASH IN HAND

Description	2020-2021	2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	13,800	-
School Fund account	7,188	419
Total	20,988	419

10. SHORT TERM INVESTMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. ACCOUNTS RECEIVABLE

Description	2020-2021	2020
	Kshs	Kshs
Fees arrears	11,052,357	10,098,185
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
Total	11,052,357	10,098,185

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

Description	2020-2021	2020
	Kshs	Kshs
Fees arrears for current year	1,103,030	-
Fees arrears for the previous year	4,507,589	4,507,589
Less arrears paid during the year	(148,858)	
Fees arrears for prior periods (over two years)	5,590,596	5,590,596
Total	11,052,357	10,098,185

12. ACCOUNTS PAYABLE

Description	2020-2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	717,330	-
Prepaid fees	236,842	-
Retention monies	-	-
Total	954,172	-

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

Description	2020-2021	2020
	Kshs	Kshs
Trade creditors for current year	717,330	-
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	-
Total	717,330	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2020
	Kshs	Kshs
Bank balances	206,069	206,069
Cash balances	419	419
Short Term Investments	-	-
Receivables	10,098,185	10,098,185
Payables	-	-
Total	10,304,673	10,304,673

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

15. Biological assets

Description	Numbers	2020-2021
		Kshs
Cattle		
Dogs	2	120,000.00
Trees(mature ones)	1200	600,000.00
Coffee or tea plantation		
Trees (small ones)	1440	144,000
Total	2002	864,000.00

16. Borrowings

Description	2020-2021
	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	2020-2021	2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	24,902,782	-
Stock/ inventory issued during the year	24,257,149	-
Balance at end of the year	645,633	-

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18.PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a K.shs	Date Contracted b K.shs	Amount Paid To-Date c K.shs	Outstanding Balance 2021 d=a-c K.shs	Outstanding Balance 2021-1 K.shs	Comments
Construction of buildings						
1.						
2.						
3.						
	Sub-Total					
Supply of goods						
4. DENIS WANDERA	93,900	N/A	0	93,900	93,900	
5. PURVE SALES	306,980	N/A	0	306,980	306,980	
6. KEVINA BAKERIES	284,950	N/A	0	284,950	284,950	
7. RINNY	31,500	N/A	0	31,500	31,500	
	Sub-Total	N/A	0	717,330	717,330	
Supply of services						
8.						
9.						
10.						
	Sub-Total					
	Grand Total	N/A	0	717,330	717,330	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	1970	KISOKO	DONATION	0	0	DONATION
Land 2	N/A			0	0	
Buildings and structures	1970-2021	KISOKO	300,000,000	0	0	300,000,000
Motor vehicles		KISOKO	6,280,000	0	0	6,280,000
Office equipment, furniture and fittings	1978-2021		5,000,000	0	0	5,000,000
ICT Equipment, and Other ICT Assets	1978-2021	KISOKO	3,000,000	0	0	3,000,000
Tools and apparatus	1978-2021	KISOKO	2,800,000	0	0	2,800,000
Textbooks	1978-2021		7,000,000	0	0	7,000,000
Other Machinery and Equipment (GENERATOR)	2012	KISOKO	400,000	0	0	400,000
POSHO MILL	2012	KISOKO	100,000	0	0	100,000
Intangible assets- soft ware				0	0	
Total	1970-2021	KISOKO	324,580,000	0	0	324,580,000

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