

REPUBLIC OF KENYA



Enhancing Accountability



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THE NATIONAL ASSEMBLY	
REPORT PAPERS LAID	
DATE: 28 NOV 2023	DAY: TUESDAY
TABLED BY: OF	Hon Owen Bayo MP
CLERK-AT-THE-TABLE:	Inzoga mwale Deputy Majority Leader

THE AUDITOR-GENERAL

ON

VULUENI SECONDARY SCHOOL

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

MAKUENI COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

25 AUG 2023

RECEIVED



VULUENI SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2021

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

Vulueni Secondary School
Public Secondary School
Reports and Financial Statement for the year ended 30th June, 2021

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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 Makeni County, Nzaui Sub-County

The school was registered in 23rd March 2010 under registration number and is currently categorized as a sub county *Sub County* public school established, owned or operated by the Government.

The school is a boarding & day school and had 386 numbers of students as at 30th June 2021. It has three streams and 18 teachers.

(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)	Paul Wasanga	Chairman	July 2019
2)	Lawrence Ngunga	V/Chairman	July 2019
3)	Joseph Munywoki	Secretary/Principal	July 2019
4)	Alex Kitua	Member	July 2019
5)	Jackson Kalani	Member	July 2019
6)	Agnes Mutisya	Member	July 2019
7)	Eng. Kyalo Siya	Member	July 2019
8)	Dennis Muteti	Member	July 2019
9)	Andrew Mwanthi	Member	July 2019
10)	Dr. Joshua Matata	Member	July 2019
11)	Jackson Ndeti	Member	July 2019
12)	Franciscar Kyengo	Member	July 2019
13)	Rev. Zedekiah Kimitu	Member	July 2019
14)	Prudence Mwonga	Member	July 2019
15)	Winfred Peter	Member	July 2019
16)	Noel Mulwa	Member	July 2019
17)	Melody Wangu	Member	July 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.

**Vulueni Secondary School
Public Secondary School**

Reports and Financial Statement for the year ended 30th June,2021

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	ACADEMIC	Agnes Mutisya		1 out of 2
		Dennis Muteti		2 out of 2
		Joseph Munywoki	Secretary	2 out of 2
		Lawrence Nzung'a		2 out of 2
		David Nyamasyo		2 out of 2
		Prudence Mwonga		2 out of 2
		Dr. Matata	Chairman	2 out of 2
2	DEVELOPMENT/INFR	Alex Kitua		1 out of 1
		Jackson Kalani		0 out of 1
		Eng. Siya		1 out of 1
		Joseph Munywoki	Secretary	1 out of 1
		Andrew Mwanthi		1 out of 1
3	FINANCE /PROC.	Alex Kitua		2 out of 2
		Jackson Kalani		1 out of 2
		Joseph Munywoki	Secretary	2 out of 2
		Lawrence Nzunga	Chairman	1 out of 2
		Dennis Muteti		2 out of 2
		Andrew Mwanthi		2 out of 2

(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	Joseph M. Munywoki	371818
2	Deputy Principal	David Nyamasyo	387043
3	School Bursar	Catherine K. Kasele	ID.NO.22275412

Key School Information and Management (Continued)

(e) Schools contacts

Post Office Box : 90132-29, Sultan Hamud
Telephone:
E-mail : vuluenisecondary@gmail.com
Facebook : N/A
Twitter : N/A

(f) School Bankers

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

1. Name of Bank : Co-operative
Branch : Emali
Account Number : 01139072201800

2. Name of Bank : Co-operative
Branch : Emali
Account Number : 01139072201801

3. Name of Bank : Co-operative
Branch : Emali
Account Number : 01139072201802

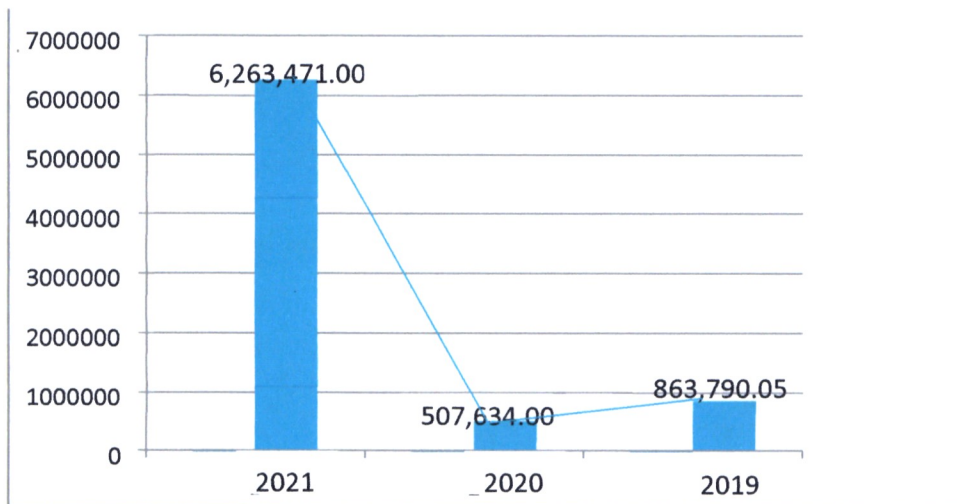
4. Name of Bank : KCB Branch : Emali
Account Number : 1114285277

(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

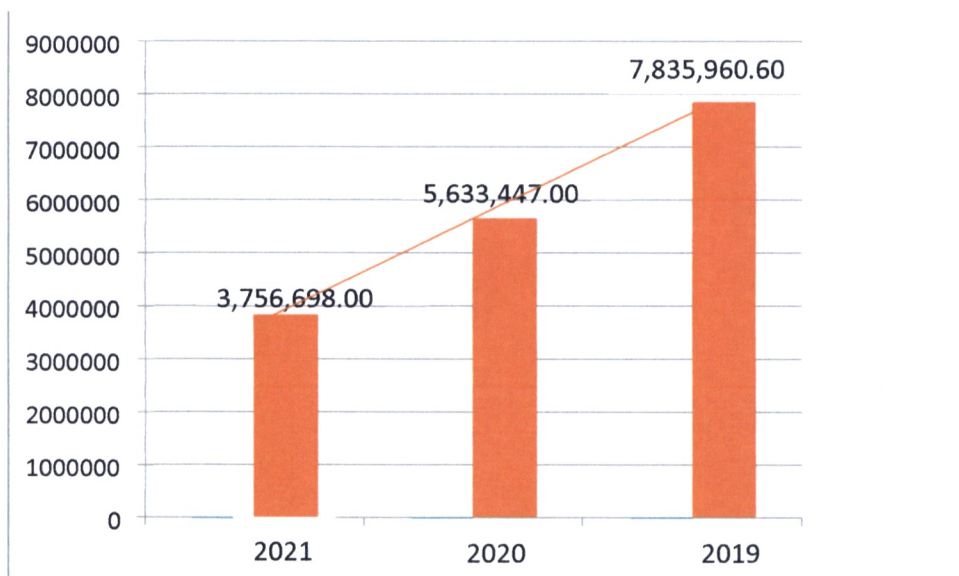
a) Financial performance:

	2021	2020	2019
SURPLUS/DEFICIT	(6,263,471.00)	507,634.00	863,790.05



Capitation Grants from the Ministry

	2021	2020	2019	TOTAL
	3,756,698.00	5,633,447.00	7,835,960.60	17,226,105.60

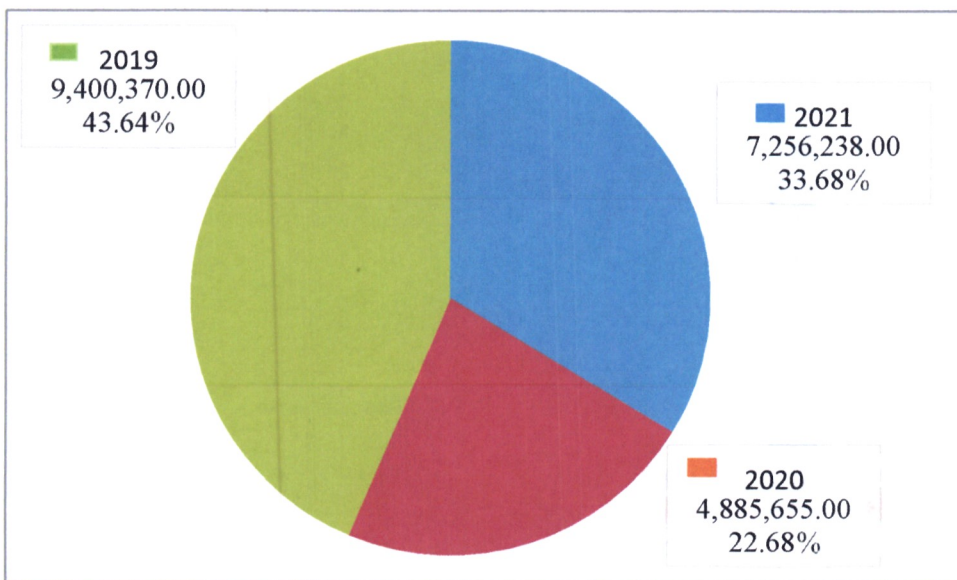


Ratio of Capitation Grant per Students for Three Years

2021	2020	2019
1:9782:38	1:14519	1:19738

A Three Years Overview of Growth of other Income Earned by the school

2021	2020	2019	TOTAL
7,256,238.00	4,885,655.00	9,400,370.00	21,542,263.00



Vulueni Secondary School
Public Secondary School
Reports and Financial Statement for the year ended 30th June,2021

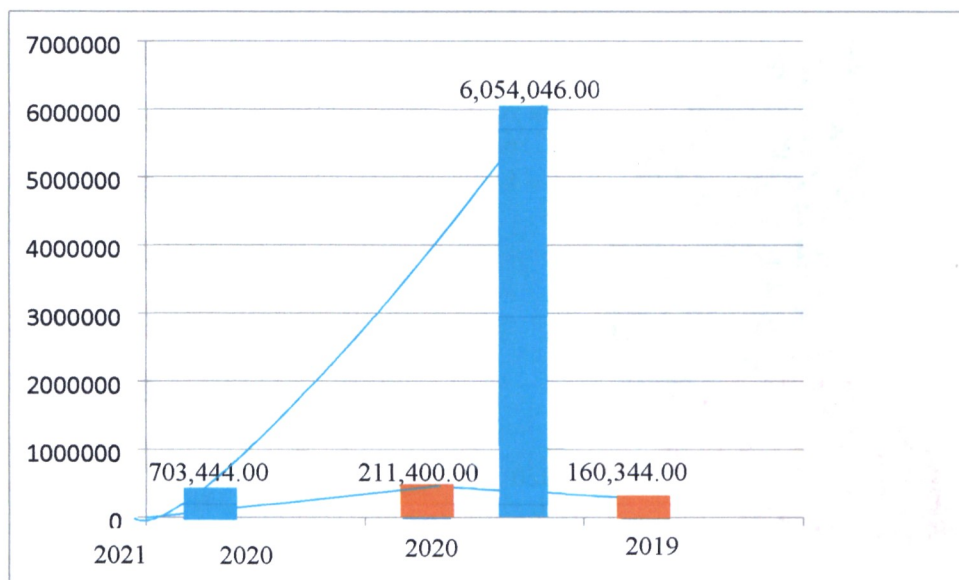
A Three Years Overview of Growth in Expenditure of the School

2021	2020	2019	TOTAL
14,693,004.00	10,011,468.00	16,372,640.00	41,077,112.00

Movements of Debtors and Creditors of the School over the Three Years.

YEAR	DEBTORS	CREDITORS
2021	-	-
2020	703,444.00	211,400.00
2019	6,054,046.00	160,344.00
TOTAL	6,757,490.00	371,744.00

Movement of Debtors and Creditors



Series 1 Poly (Series 1)
 Series 2 Poly (Series 2)

Movements of Cash and Bank Balances of the School over the Three Year

	CASH	BANK BALANCES
2021	5,200.00	670,118.65
2020	221,822.00	32,170.30
2019	820.00	(45,899.70)
	227,842.00	656,389.25

B): Teacher Students Ratio:

	Student	Teacher	Recruited/posted	Transferred
2021	21	1	-	-
2020	22	1	1	1
2019	23	1	1	-

Teachers Employed by TSC 16 BOM 2

Shortage 3

Teacher per subject: **ENGLISH 2,KISWALI 3,MATHEMATICS 4,BIOLOGY 2,CHEMISTRY 2,PHYCIS 2,HISTORY GEOGRAPHY 2,C.R.E 1,AGRICULTURE 2,BUSINESS 1,COMPUTER STUDIES 1**

c) Mean Score in the 2020 KSCE:

	Mean points	Mean score	Comments
2020	4.547	C-	Improved
2019	3.663	D+	Improved
2018	3.101	D	Below average

D) Number of Candidates in the Year 2020 KCSE:

YEAR	Tabulation of students
2020	98
2019	90
2018	103

E) Capacity of the School:

Enrolment boys and girls.....

- Dormitories; 1-girls-sufficient
3-boys -not-sufficient one required

Dining Hall: planned, work to start 2021/2022

Kitchen : 1 sufficient

Laboratory : 1 not sufficient

Computer lab : N/A

Toilets; Boys : 8 not sufficient, 4 required

Girls : 8 not sufficient, 4 required

Staff: 10 sufficient

Fields: football – shared with primary, one required

Volleyball –N/A – 2 required

Netball – 1, 1 required

Handball – 1, 1 required

Basketball – N/A


Administration blocks – not sufficient , modern one required

Staff room – 2 sufficient Library – 1

sufficient

F) Development Projects Carried Out by the School:

2020/2021_ 4 storey classrooms funded by RMI from Ministry of Education, contracted sum of kshs. 4,130,803.00

Signed by: JOSEPH MUNYWOKI 
Principal



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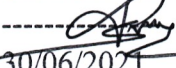
III. Statement of school management responsibility

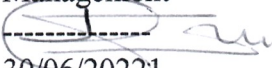
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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.

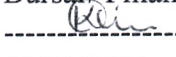
The Board of Management of Vulueni Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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: PAUL WASANZAI
Designation: Chairman, School Board of Management
Sign: 
Date: 30/06/2021

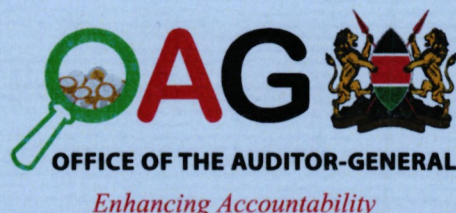
Name: JOSEPH MUNYWOKI
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 30/06/2022



Name: CATHERINE KASELE
Designation: Bursar/ Finance Officer
Sign: 
Date: 30/06/2021

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 VULUENI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – MAKUENI 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 Government achieves value for money and that such Hospitals 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, 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 controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Vulueni Secondary School – Makueni County set out on pages 13 to 27, which comprise of the statement of financial

Report of the Auditor-General on Vulueni Secondary School for the year ended 30 June, 2021 – Makueni County

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Vulueni Secondary School – Makueni County as at 30 June, 2021, and of its financial assets and liabilities and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Expenditure

The statement of receipts and payments reflects total payments of Kshs.14,693,004. However, review of payment records revealed that payments amounting to Kshs.3,177,781 were not supported by requisitions, invoices, Goods Received Notes, Delivery Notes and Job Cards, among other accountable documents.

In the circumstances, the completeness and accuracy of unsupported expenditure amounting to Kshs.3,177,781 could not be confirmed.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for 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 (PSASB) 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 for longer period is due to the adoption of IPSAS for school 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 with comparative balances for financial year 2019/2020. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed by the Public Sector Accounting Standards Board (PSASB).

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to the Government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply with the guidelines as issued by PSASB.

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 complying, 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, 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 else 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. Failure to Maintain a Fixed Asset Register

Annex 2 to the financial statements reflects a balance of Kshs.29,910,000 in respect of the historical cost of the School's assets. However, review of records provided for audit revealed that the Management does not maintain an asset register for its movable and non-movable assets. This is contrary to Regulation 170(1) of the Public Procurement and Asset Disposal Regulation, 2020 which provides that an Accounting Officer of a procuring entity shall be responsible for maintaining a register of assets under his or her control or possession.

In the circumstances, the effectiveness of internal controls over asset management could not be confirmed.

2. Lack of Audit Committee and Internal Audit Function

Review of audit records revealed that the School does not have an operational audit committee of the Board and an internal audit function for purposes of reviewing and evaluating budgetary performance, financial management, transparency and accountability mechanisms processes in the School.

In the circumstances, the effectiveness of the independent assurance that the risk management governance and internal control processes are operating effectively could not be confirmed.

3. Long Outstanding Students' Debtors

The statement of financial assets and liabilities and as disclosed in Note 11 to the financial statements, reflects a balance of Kshs.6,757,490 in respect of accounts receivables. However, included in the balance is an amount of Kshs.6,054,046 relating to long outstanding students' debtors that have been accumulating for more than two (2) years. Management did not provide evidence of the efforts being made towards recoverability of the long outstanding fees arrears.

In the circumstances, the recoverability of fees arrears from students, who have since left the School, amounting to Kshs.6,054,046 is doubtful.

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 control, 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 (Accrual Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services unless the 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 overall 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 control 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control 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 Hospital's 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 the School Management.
- Conclude on the appropriateness of the Management's use of appropriate 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the 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 to 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, GBS
AUDITOR-GENERAL

Nairobi

11 October, 2023

Vulueni Secondary School

Public Secondary School

Reports and Financial Statement for the year ended 30th June,2021

V. Statement of Receipts and Payments Period to 30th June 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	516,947.00	766,947.00
Capitation grants for operations & infrastructure	2	3,239,751.00	4,866,500.00
School Fund Income- Parents' Contributions	3	4,672,835.00	4,885,655.00
School Fund Income- Other receipts	4	-	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		8,429,533.00	10,519,102.00
PAYMENTS			
Payments for Tuition	5	373,250.00	702,062.00
Payments for operations and infrastructure	6	7,063,916.00	4,745,035.00
Boarding and school fund payments	7	7,256,238.00	4,564,371.00
TOTAL PAYMENTS		14,693,004.00	10,011,468.00
SURPLUS/DEFICIT		(6,263,471.00)	507,634.00

The school financial statements were approved on 30/6/2021 and signed by:

Name: PAUL WASADZA Name: JOSEPH MURTHOKI Name: CATHERINE KASELE

Chair BOM

Sign: [Signature]
Date: 18/8/2023

**School Principal/
Secretary to BOM**

Sign: [Signature]
Date: 18/8/2023

**Bursar/
Finance Officer**

Sign: [Signature]
Date: 17/08/23



VI. Statement of Financial Assets and Financial Liabilities as at 30th June 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	645,741.55	32,170.30
Cash Balances	9	221,822.00	5,200.00
Short term Investment	10		
Total Cash and Cash Equivalents		867,563.55	37,370.30
Account's receivables	11	6,757,490.55	13,877,754.25
TOTAL FINANCIAL ASSETS		7,625,053.55	13,917,124.55
FINANCIAL LIABILITIES			
Accounts Payable	12	371,744.00	400,344.00
NET FINANCIAL ASSETS		7,253,309.55	13,516,780.55
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	13,516,780.55	13,009,146.55
Surplus/Deficit for the year		(6,263,461.00)	507,634.00
NET FINANCIAL POSITION		7,253,309.55	13,516,780.55

The School's financial statements were approved on **30TH JUNE 2021** and signed by:

Name: **Paul WASABA**
Chairman, BoM

Sign: _____

Date: 30th JUNE 2021

Name: **Joseph Muniyuki**
School Principal/Secretary

to BoM Sign: _____

Date: 30th JUNE 2021

Name: **CATHERINE KASELE**
Bursar/Finance

Sign: _____

Date: 30th JUNE 2021



VII. Statement of Cash Flows for the Period ended 30th June 2021

		2020-2021	2019-2020
CASHFLOWS FROM OPERATING ACTIVITIES		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	516,947.00	766,947.00
Capitation grants for operations	2	3,239,751.00	4,766,500.00
School fund income- Parents contributions/ fees plus fees arrears	3	11,016,499.25	4,457,539.00
School fund income- other receipts	4	-	-
Total receipts		14,773,197.25	9,990,986.00
Payments			
Payments for Tuition	5	372,850.00	768,890.00
Payments for operations	6	7,063,916.00	4,745,035.00
Boarding and school fund payments	7	7,256,238.00	4,454,163.90
Total Payments		14,693,004.00	9,968,088.90
Net cash flow from operating activities		830,193.25	22,897.10
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Net cash flows from Investing Activities			
NET CASHFLOW FROM FINANCING ACTIVITIES		830,193.25	22,897.10
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalents at BEGINNING of the year		37,370.30	14,473.20
Cash and cash equivalents at END of the year		867,563.55	37,370.30

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 cash flow as recommended by PSASB.

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 %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	517,400		517,400	516,947	453	99.91%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
(2) CAPITATION GRANT ON OPERATIONS						
TAE\$ E(Other Vote Head)	1,748,000	-	1,748,000	1,747,751.35	248.65	99.99%
Personnel emoluments	-	-	-	-	-	-
Repairs and maintenance	1,746,000		1,746,000	1,492,000	254,000	85.45%
Local transport / travelling	-	-	-	-	-	-
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity						
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) FEES CHARGED ON PARENTS						
Boarding equipment's & stores	3,068,000.00		3,068,000.00	3,861,009.00	92,230.00	125.85%
Personnel emoluments						
Repairs and maintenance	236,000.00		236,000.00	107,834.00	128,166.00	45.69%
Local transport / travelling	-	-	-	-	-	-
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	17,700.00		17,700.00	8,798.00	8,902.00	49.71%
SMASSE						
Other voteheads	982,300.00		982,300.00	693,694.00	288,606.00	70.62%
OTHER INCOME						

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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 %
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	8,315,400.00		8,315,400.00	8,428,033.35	(112,633.35)	101.35%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	xxx	xxx	Xxx	xxx	xxx	X
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	517,400		517,400	372,850	144,550	72.06%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
(2) EXPENDITURE FOR OPERATIONS						
TAES E(Other Vote Head)	1,748,000		1,748,000	4,948,786	(3,200,786)	283.11%
Personnel emoluments	-	-	-	-	-	-
Repairs, maintenance & improvements	2,100,000		2,100,000	2,070,210	29,790	98.58%
Local transport / travelling	-	-	-	-	-	-
Electricity, water and conservancy	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity Expenses	100,000	-	100,000	44,960	55,040	44.96%
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) EXPENDITURE FOR SCHOOL FUND						
TAES E(Other Vote Head)	1,700,000.00	-	1,700,000.00	1,523,627	2,434,623.00	89.63%
Repairs, maintenance and improvements	150,000.00	-	150,000.00	635,190	485,190	423.46%
Local transport / travelling	-	-	-	-	-	-
Electricity, water ar				-	-	-

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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 %
Medical Expenses	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Lunch programme	-	-	-	-	-	-
Boarding Equipment and Stores	2,000,000.00		2,000,000.00	4,185,925	(2,185,925)	209.30%
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	8,315,400.00	-	8,315,400.00	13,781,548	(5,464,148)	165.74%

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 imprests, 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 (Ksh). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of Receipts and Payments

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

3. In-kind Contributions

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

4. Cash and Cash Equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

For the purposes of these financial statements, 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 imprests payments are recognized as expenditure when fully accounted for by the imprests 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	2019-2020
		Kshs	Kshs
Text books		-	-
Exercise books		-	-
Laboratory equipments and apparatus		-	-
Teaching/learning materials		516,947.00	766,947.00
chalks		-	-
Internal exams		-	-
Reference books		-	-
TOTAL		516,947.00	766,947.00

2 CAPITATION GRANT FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT

		2020-2021	2019-2020
		Kshs	Kshs
Electricity and water		-	-
Local transport / travelling		-	-
Repairs maintenance and Improvements		1,492,000.00	155,500.00
Personal Emoluments		-	-
Administration costs		-	-
Activity		-	165,600.00
Medical and Insurance		-	82,800.00
Other voteheads		1,747,751.00	2,664,100.00
Infrastructure			1,348,000.00
CDF Grant-Ablution Block		-	-
Interest		-	-
TOTAL		3,239,751.00	4,866,500.00

3 PARENTS CONTRIBUTION / FEES - SCHOOL FUND ACCOUNT

		2020-2021	2019-2020
		Kshs	Kshs
Boarding Equipment and Stores		3,861,009.00	3,477,815.00
Repairs and maintenance		107,834.00	460,000.00
Other voteheads		693,694.00	912,821.00
Activity		8,798.00	34,769.00

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Losses		1,500.00	1,500.00
Administration costs			
Personnel emoluments			
PA-Donations School Van Project			
TOTAL		4,672,835.00	4,885,655.00

4 OTHER RECEIPTS - SCHOOL FUND ACCOUNT

		2020-2021	2019-2020
		Kshs	Kshs
Income from Posho mill			-
Income from Bus Hire			-
Rent income			-
Income from farming activities			-
Sales of Borehole water			
Interest income			-
Fee for hire of ground and equipment			-
Income from grants and donations*			-
Dividends income			-
Total		-	-

5 PAYMENTS FOR TUITION

		2020-2021	2019-2020
		Kshs	Kshs
Text books			
Exercise books			
Laboratory equipments and apparatus			
Teaching/learning materials		372,490.00	701,822.00
chalks			
Internal exams			
Reference books			
Bank charges		360.00	240.00
TOTAL		372,850.00	702,062.00

6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT

		2020-2021	2019-2020
		Kshs	Kshs
Electricity and water			
Local transport / travelling			-

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Repairs maintenance and Improvements			143,140.00
Personal Emoluments			-
Administration costs			-
Activity		44,960.00	159,300.00
Medical and Insurance			-
Infrastrastructure grant-Computer Lab			-
Other voteheads		4,948,786.00	2,659,485.00
Infrastructure		2,070,210.00	1,783,110.00
Bank Charges			-
Borehole			-
Transfers			
TOTAL		7,063,916.00	4,745,035.00

7 BOARDING AND SCHOOL FUND PAYMENTS

		2020-2021	2019-2020
		Kshs	Kshs
Boarding Equipment and Stores		4,185,925.00	2,115,310.00
Repairs and maintenance		635,190.00	823,002.00
Electricity and water			
Local transport / travelling			
Activity		500.00	245,168.00
Administration costs			
Personnel emoluments			
Posho mill			
Ground and Bus Hire			
Rent			
Other voteheads		2,434,623.00	1,380,891.00
Bank Charges			
TOTAL		7,256,238.00	4,564,371.00
Expenses on <i>income generating activities</i> ** 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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8 BANK ACCOUNTS

		2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		145,474.25	1,377.25
Operations Account		206,194.30	4,982.95
School Fund Account		221,003.00	2,640.10
Infrastructural Account		73,070.00	23,170.00
Savings Account			
Income generating activities Account			
Total		645,741.55	32,170.30

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account		
Operation Account	209,247.00	3,585.00
School Fund account	7,045.00	1,555.00
Infrastructure account	5,530.00	60.00
TOTAL	221,822.00	5,200.00

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	6,757,490.00	13,917,124.25
Other non-fees receivables		
Salary advances		
Imprest		
TOTAL	6,757,490.00	13,917,124.25

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[Include an ageing of the fees / non fees arrears below]			
Description		2020-2021	2019-2020
		Kshs	Kshs
Fees arrears for current year			703,444.00
Fees arrears for the previous year		703,444.00	13,213,680.25
Fees arrears for prior periods (over two years)		6,054,046.00	
Unrecovered statutory deductions for the year		20,040.00	
Unrecovered statutory deductions for the previous year			
TOTAL		6,757,490.00	13,917,124.25

12 ACCOUNTS PAYABLE

Description		2020-2021	2019-2020
		Kshs	Kshs
Trade creditors (See ageing below)		371,744.00	400,344.00
Prepaid fees			
Retention monies			
Total		371,744.00	400,344.00
[Include an ageing of the creditor's arrears below]			
Description		2020-2021	2019-2020
		Kshs	Kshs
Trade creditors for current year			240,000.00
Trade creditors for the previous year		211,400.00	160,344.00
Trade creditors for prior periods (over two years)		160,344.00	
TOTAL		371,744.00	400,344.00

13 FUND BALANCE BROUGHT FORWARD

Description		2020-2021	2019-2020
		Kshs	Kshs
Bank balances		32,170.30	(45,899.70)
Cash balances		5,200.00	820.00
Short Term Investments			723,863.00
Receivables		13,879,754.55	13,474,898.25
Payables		(400,344.00)	(420,672.00)
TOTAL		13,516,780.55	13,009,146.55

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OTHER IMPORTANT DISCLOSURE NOTES

14 NON-CURRENT LIABILITIES SUMMARY

Description		2020-2021	2019-2020
		Kshs	Kshs
Bank loan(s)		-	-
Outstanding Leases		-	-
Hire purchase		-	-
Gratuity and leave provision		-	-
Total		-	-

15 BIOLOGICAL ASSETS

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	20	N/A	N/A
Coffee or tea plantation	N/A	N/A	N/A
Poultry	10	5,000.00	6,000.00
Total	30	5,000.00	6,000.00

16 BORROWINGS

Description		2020-2021	2019-2020
		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		-	-

17 1 STOCK/ INVENTORY

Description		2020-2021	2019-2020
		KShs	KShs
Stock/Inventory			
Stock/ inventory at beginning of the year		55,460.00	5,860.00
Stock/ inventory purchased during the year		4,365,150.00	8,643,000.00
Stock/ inventory issued during the year		4,035,120.00	5,593,400.00
Balance at end of the year		385,490.00	55,460.00

5. 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)
1	Proper			
2	Single sources			
3	Infrastructure funds transfer			
4	No employment policy			
5	Fees register no proper			
6	No financial management document			

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid ToDate	Outstanding Balance 2021	Outstanding Balance 2020	Comments
1 All Shopping Complex	400,344	2020	28,600	371,744	400,344	To be cleared
GRANDTOTAL	400,344		28,600	371,744	400,344	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	Donated	Vulueni	Donated	Donated	Donated	Donated
Land 2	2016	Vulueni	600,000	-	-	600,000
Buildings and structures		Vulueni	18,400,000	4,000,000	-	22,400,000
Motor vehicles	N/A	N/A	N/A	N/A	N/A	N/A
Office equipment, furniture and fittings		Vulueni	4,800,000	N/A	N/A	4,800,000
ICT Equipment, and Other ICT Assets		Vulueni	1,400,000	200,000	N/A	1,600,000
Tools and apparatus		Vulueni	450,000	50,000	N/A	500,000
Textbooks		Vulueni	FSPE-GK	N/A	N/A	N/A
Other Machinery and Equipment		Vulueni	N/A	N/A	N/A	N/A
Heritage and cultural assets		Vulueni	N/A	N/A	N/A	N/A
Intangible assets- soft ware		Vulueni	N/A	10,000		10,000
Total			25,650,000	4,260,000		29,910,000

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