


REPUBLIC OF KENYA



Enhancing Accountability

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 THE NATIONAL ASSEMBLY REPORT PAPERS LAID	
DATE: 04 MAR 2025	
DAY: Tuesday	
TABLED BY: OF	Deputy chief whip Majority Party Hon. Naomi Jilto
CLERK-AT THE-TABLE:	Benson Inzofu

THE AUDITOR-GENERAL

ON

KITUMA SECONDARY SCHOOL

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

TAITA/TAVETA COUNTY

OFFICE OF THE AUDITOR GENERAL
P.O.Box 95202 ,MOMBASA

09 MAY 2024

RECEIVED
MOMBASA REGIONAL OFFICE

Revised 30th June 2021.



KITUMA SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

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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 TAITA TAVETA County, MWATATE Sub-County

The school was registered in 01/2013 under registration number 06/S/00300/0/55 and is currently categorized as a *Extra County* public school established, owned and operated by the Government. The school is a boarding school and had 166 number of students as at 30th June 2022. It has 1 stream and 10 teachers of which 3 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
1	ROBERT NDAMBO	Chairman
2	EDDIE MARAMI	Secretary - Principal
3	PATRICIA KIBALI	Member
4	SEBASTIAN MWAKUMBAKU	Member
5	TEREZI WAKESHO	Member
6	CATHERINE MACHILA	Member
7	DANIEL MUTUKU	Member
8	AUGUSTUS NDAU	Member - Rep CEB
9	THADEUS MUSEMBI	Member Rep Teachers
10	PETER MWAMBINGU, DOMINIC MWANDAU & MARY MWARIGHA	3 Members - Sponsor
11	FLORIAN MZUNGU	Member - Community
12	ROBERT NDAMBO	Member Special Needs
	PETER MBELE	Rep Students

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	MR EDDIE M. MARAMI	374318
2	Deputy Principal	MR VENANCE WACHENJE	358230
3	School Bursar	MR EMMANUEL MWANYALO	ID 27614634

KITUMA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
for the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 24-80311
Telephone: 0708357789
E-mail: kitumacentre@gmail.com
Website: <http://www.kitumaboyssecondaryschool.org>
Facebook: @Kitumaboyssecondaryschool
Twitter:

(f) School Bankers

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

1. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790260732103
2. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790260732050
3. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790260731991
4. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790294504132
5. MPESA Pay Bill No. 247247 attached to 0790260732103 bank account

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

(g) Independent Auditors

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


II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

S/NO	PERFORMANCE	YEAR ENDED 30TH JUNE 2021	YEAR ENDED 2020	YEAR ENDED 2019
a)	FINANCIAL			
	SURPLUS/DEFICIT	91,841,748.15)	2,175,021.20	(501,404.36)
	DIRECT CAPITATION GRANTS	1,859,941.50	243,207	3,602,024.31
	GROWTH OF OTHER INCOMES	3,016,650.00	5,211,340.00	5,191,127.00
	EXPENDITURE/PAYMENTS	6,718,339.65	4,969,300.80	10,051,065.35
	DEBTORS/RECEIVABLES	2,987,014.00	3,225,482.00	1,812,981.00
	CREDITORS/PAYABLES	3,567,426.00	1,875,306.00	2,066,771.20
	CASH AND CASH EQUIVALENTS	37,457.41	(81,382.44)	62,073.56
b)	NON-FINANCIAL			
	ENROLLED STUDENTS	166	163	137
c)	NUMBER OF TEACHERS	7	7	6
	TEACHER-STUDENT RATIO	1:24	1:24	1:23
	KCSE MEAN SCORE	3.6842	3.4286	3.3529
	TRANSITION TO UNIVERSITIES	3	2	2
	TRANSITION TO OTHER COLLEGES	13	8	4
d)	KCSE CANDIDATES	38	29	17
		YEAR ENDED 30TH JUNE 2021	YEAR ENDED 2020	YEAR ENDED 2019
e)	CAPACITY OF THE SCHOOL			
	CLASSROOMS	4	4	4
	LABORATORIES	1	1	1
	DORMITORIES	1	1	1
	DINING HALLS	0	0	1
	BORE HOLES	0	0	0
	ABLUTION BLOCKS	1	1	1
	LAND WITH LEGAL OWNERSHIP	50 ACRES	50 ACRES	50 ACRES

a) Development projects carried out by the school:

Additional CBC class by the m.o.e.

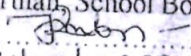
Sign 
EDDIE .M. MARAMI
 School Principal

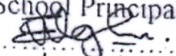
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PUBLIC SECONDARY SCHOOL
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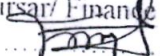
II. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

The Board of Management of *KITUMA 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: MR ROBERT NDAMBO NGETI
Designation: Chairman, School Board of Management
Signature: 
Date: 11/07/2022

Name: MR EDDIE .M. MARAMI
Designation: School Principal & Secretary to Board of Management
Signature: 
Date: 11/07/2022

Name: MR EMMANUEL MWANYALO
Designation: Bursar/ Finance Officer
Signature: 
Date: 11/7/2022

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KITUMA SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – TAITA/TAVETA COUNTY

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal 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

Adverse Opinion

I have audited the accompanying financial statements of Kituma Secondary School – Taita/Taveta County, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the period then ended,

and a summary of significant accounting policies and other explanatory information in accordance with 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Kituma Secondary School – Taita/Taveta County 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 do not comply with the and the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects total receipts and payments amounting to Kshs.4,876,592 and Kshs.6,718,340 respectively. However, review of cashbooks revealed total receipts and payments amounts of Kshs.6,008,280 and Kshs.4,051,505 resulting in unreconciled variances of Kshs.1,131,688 and Kshs.2,666,835 respectively.

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

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.37,457 as disclosed in Note 8 and Note 9 to the financial statements. However, a board of survey report and bank reconciliation statements to support the cash and bank balances were not provided for audit. Further, cashbooks and bank statements for the infrastructure account were not provided for audit. In addition, review of the cashbooks and cheque counter foils revealed that a total of Kshs.1,674,725 was drawn in favor of the former Principal of the School with no supporting documents to justify the withdrawals.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.37,457 could not be confirmed.

3. Unsupported and Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,987,014 as disclosed in Note 11 to the financial statements. However, Management did not provide a detailed list with the names of the debtors, the ageing analysis and amounts receivables. Further, the receivables balance includes long outstanding fees arrears for over two (2) years amounting to Kshs.1,535,424.

In the circumstances, the accuracy and full recoverability of the accounts receivables balance of Kshs.2,987,014 could not be confirmed.

4. Inaccuracies of Capitation Grants

The statement of receipts and payments reflects capitation grants for operations amounting to Kshs.1,538,231 as disclosed in Note 2 to the financial statements. Review of the NEMIS capitation disbursements against the amount received by the School revealed that a disbursement made by the Ministry of Education in July 2020 amounting to Kshs.584,825 was not captured in the books of accounts.

In the circumstances, the accuracy and completeness of capitation grants for operations amounting to Kshs.1,538,231 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kituma 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

Review of the financial statements revealed that the pages were not serially numbered as the statement of receipts and payments was numbered thirty-one (31) while the last page was numbered 25. Further, the number of teachers employed by the Teachers Service Commission as well as Board of Management teachers were not disclosed.

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board (PSASB) reporting requirements.

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

Review of records revealed that the School received operations capitation grants amounting to Kshs.2,160,856 during the year, out of which an amount of Kshs.710,000 was supposed to be transferred to the infrastructure account. However, there was no evidence of the transfers. This was in contravention of the Ministry of Education's Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry's guidelines.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Maintain Critical Policies

Review of records revealed that the School did not maintain approved finance policy and procedures manual, human resource policy, ICT policy and disaster recovery plan, risk management policy and a staff code of conduct and ethics hand books.

In the circumstances, Management did not have the means of identifying, preventing and mitigating against disasters in the event of an unforeseen systems failure.

2. Lack of Internal Audit Function and Operational Audit Committee

Review of documents and operations revealed that the Board of Management of the School failed to form an audit committee. The functions of the committee including

Report of the Auditor-General on Kituma Secondary School for the six (6) months' period ended 30 June, 2021 – Taita/Taveta County

performing risk assessments, evaluating operational effectiveness of the School, reviewing of the audit reports and assessment of the compliance with laws and regulations in the School were not therefore conducted.

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

3. Failure to Maintain an Assets Register

Review of records revealed that the School did not maintain the asset register with details of the land registration number, size of the land, beds, tables and chairs with their respective estimated values, tag numbers, serial numbers and conditions of the assets but only prepared an asset list,

In the circumstances, the effectiveness of the fixed assets management system could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 (Cash 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 continue to sustain 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 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 policies and procedures may deteriorate.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 September, 2024

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

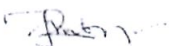
DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Capitation grants for tuition	1	321,710.75	-
Capitation grants for operations	2	1,538,230.75	-
School Fund Income- Parents' Contributions	3	-	-
School Fund Income- Other receipts	4	3,016,650.00	-
Proceeds from borrowings			
TOTAL RECEIPTS		4,876,591.50	-
PAYMENTS			
Payments for Tuition	5	1,353,554.25	-
Payments for operations	6	1,649,185.40	-
Boarding and school fund payments	7	3,715,600.00	-
TOTAL PAYMENTS		6,718,339.65	-
SURPLUS/DEFICIT		(1,841,748.15)	-

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

Name: MR ROBERT .N. NGETI
 Chairperson BOM

Name: MR EDDIE .M. MARAMI
 School Principal/ Secretary BOM

Name MR EMMANUEL MWANYALO
 Bursar/ Finance Officer

SIGN: 

SIGN: 

SIGN: 

Date: 11/07/2022

Date: 11/07/2022 Date: 11/07/2022

I. 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	57,917.41	-
Cash Balances	9	(20,460.00)	-
Short term Investment	10	-	-
Total Cash and Cash Equivalents		37,457.41	-
Accounts receivables	11	2,987,014.00	-
TOTAL FINANCIAL ASSETS		3,024,471.41	-
FINANCIAL LIABILITIES			
Accounts Payable	12	3,567,426.00	-
NET FINANCIAL ASSETS		(542,954.59)	-
REPRESENTED BY			
fund balance b/fwd 1st July...	13	1,298,793.56	-
Surplus/Defict for the year		(1,841,748.15)	-
NET FINANCIAL POSITION		(542,954.59)	-
		-	-

Name: MR ROBERT .N. NGETI
Chairperson BOM

Name: MR EDDIE .M. MARAMI
School Principal/ Secretary BOM

Name MR EMMANUEL MWANYALO
Bursar/ Finance Officer

SIGN: 

SIGN: 

SIGN: 

Date: 11/07/22

Date: 11/07/2022 Date: 11/21/2022

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	57,917.41	-
Cash Balances	9	(20,460.00)	-
Short term Investment	10	-	-
Total Cash and Cash Equivalents		37,457.41	-
Account's receivables	11	2,987,014.00	-
TOTAL FINANCIAL ASSETS		3,024,471.41	-
FINANCIAL LIABILITIES			
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NET FINANCIAL ASSETS		(542,954.59)	-
REPRESENTED BY			
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Surplus/Deficit for the year		(1,841,748.15)	-
NET FINANCIAL POSITION		(542,954.59)	-

Name: MR ROBERT .N. NGETI
Chairperson BOM

Name: MR EDDIE .M. MARAMI
School Principal/ Secretary BOM

Name MR EMMANUEL MWANYALO
Bursar/ Finance Officer

SIGN: 

SIGN: 

SIGN: 

Date :..11.07.22.....

Date:..11.07.2022.....Date:.....11/7/2022.....

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Text books	500,000	120,000	620,000	620,000	-	100.0%
Exercise books	1,800,000	740000	2,540,000	2,540,000	-	100.0%
Laboratory equipments and apparatus	1,148,000	80000	1,228,000	1,228,000	-	100.0%
Teaching/learning materials	544,000	126000	670,000	670,000	-	100.0%
chalks	100,000	13600	113,600	113,600	-	100.0%
Internal exams	500,000	340000	840,000	840,000	-	100.0%
Reference books	200,000	60000	260,000	260,000	-	100.0%
0				-	-	
0				-	-	
					-	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>					-	
OTHER VOTEHEADS						

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for the year ended 30th June 2021

			-	-
	Outstanding Leases		-	-
	Hire purchase		-	-
	Gratuity and leave provision		-	-
	Total		-	-

Other important disclosure notes

IFRS 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.

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Fee on Boarding Equipment and Stores				2,655,460		
Electricity, water & C				147,480		
LT&T				12,020		
Repairs and Maintenance				50,555		
Personal Emoluments				98,070		
Admin Costs				51,675		
Activity				1,390		
Pocket Money				-		
Rent income				-		
Income from farming activities				-		
Income from grants and donations*				-		
Interest income				-		
Dividends income				-		
TOTAL INCOME	4,792,000	1,479,600	6,271,600	10,826,481	(4,554,881)	172.6%
(1) EXPENDITURE FOR TUITION						
Text books	500,000		500,000			0%

Exercise books	1,800,000			1,800,000	-	500,000	0%
Laboratory equipments and apparatus	1,148,000			1,148,000	-	1,800,000	0%
Teaching/learning materials	544,000			544,000	1,353,194	(809,194)	249%
chalks	100,000			100,000	-	100,000	0%
Internal exams	500,000			500,000	-	500,000	0%
Reference books	200,000			200,000	-	200,000	0%
Bank charges				0	360	(360)	
				0		-	
PAYMENTS FOR OPERATIONS				0		-	
OTHER VOTEHEADS				0	1,282,180		
RMI(INFRASTRUCTURE)	367,005			367,005	367,005		
Administration Cost				0	-		
Repairs and maintenance & improvements				0	-		
Local transport / travelling				0	-		
Electricity and water				0	-		
Medical				0	-		
Activity Expenses				0	-		

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SMASSE	0		0	-		
edu afya	0		0	-		
Bank Charges			0	-		
Acquisition of Assets	0		0	-		
	0		0			
BOARDING AND SCHOOL FUND PAYMENTS			0			
Fee on Boarding Equipment and Stores			0	2,788,855		
Electricity, water & C			0	61,080		
LT&T			0	131,440		
Repairs and Maintenance			0	159,135		
Personal Emoluments			0	106,656		
Admin Costs			0	468,434		
Activity	0		0	-		
Pocket Money			0	-		
Caution Money			0	-		
Electricity and water			0	-		
Medical Expenses	0		0	-		

Administration costs				0				
Lunch Programme	0			0				
Bank Charges				0				
Expenses on Income Generating Activities	0			0				
Fee on Boarding Equipment and Stores				0				
Rent Expenses				0				
Insurance Cost (Life Property)	0			0				
Loan Principal repayment	0			0				
Loan Interest repayment	0			0				#DIV/0!
Acquisition of Assets	0			0				#DIV/0!
TOTAL	5,159,005	0	0	5,159,005	6,718,340	(1,559,335)		130.2%

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

- i. N/A
- ii. N/A
- iii. N/A

SIGNIFICANT ACCOUNTING POLICIES

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

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.

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*.

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.

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)

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.

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.

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.

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.

Comparative figures

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

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

I. NOTES TO THE FINANCIAL STATEMENTS				
1	CAPITATION GRANT FOR TUITION			
			2020-2021	2020-2021
			Kshs	Kshs
	Text books		-	-
	Exercise books		-	-
	Laboratory equipments and apparatus		-	-
	Teaching/learning materials		321,710.75	-
	chalks		-	-
	Internal exams		-	-
	Reference books		-	-
	Total		321,710.75	-
2	CAPITATION GRANT FOR OPERATIONS			
			2020-2021	2020-2021
			Kshs	Kshs
	OTHER VOTEHEADS		987,230.75	-
	RMI(IFRASTRUCTURE)		551,000.00	-
	Local transport / travelling			-

	Electricity and water			-
	Medical			-
	Administration costs			-
	Insurance			-
	Activity			-
	Total		1,538,230.75	-

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

			2020-2021	2019-2020
			Kshs	Kshs
	Personnel emoluments			-
	Repairs and maintenance		-	-
	Local transport / travelling		-	-
	Electricity and water		-	-
	Medical		-	-
	Administration costs		-	-
	Activity		-	-
	Total		-	-

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

			2020-2021	2019-2020
			Kshs	Kshs

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	Fee on Boarding Equipment and Stores		2,655,460.00	-
	Electricity, water & C		147,480.00	-
	LT&T		12,020.00	-
	Repairs and Maintenance		50,555.00	-
	Personal Emoluments		98,070.00	-
	Admin Costs		51,675.00	-
	Activity		1,390.00	-
	Pocket Money			
	Caution Money			
	Rent income			-
	Income from farming activities			-
	Insurance compensation			-
	Income from Posho mill			-
	Income from Bus Hire			-
	Fee for hire of ground and equipment			-
	Income from grants and donations*			-
	Interest income			-
	Dividends income			-
	Total		3,016,650.00	-
5	PAYMENTS FOR TUITION			
			2020-2021	2019-2020
			Kshs	Kshs

	Text books		-	-
	Exercise books		-	-
	Laboratory equipments and apparatus		-	-
	Teaching/learning materials		1,353,194.25	-
	chalks		-	-
	Internal exams		-	-
	Reference books		-	-
	Bank charges		360.00	-
	Total		1,353,554.25	-

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PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
OTHER VOTEHEADS		
RMI(INFRASTRUCTURE)	1,282,180.40	-
Administration Cost	367,005.00	-
Repairs and maintenance & improvements		-
Local transport / travelling		-
Electricity and water		-
Medical		-
Activity Expenses		-
SMASSE		-

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	edu afya		-	-
	Bank Charges			-
	Acquisition of Assets			-
	Transfers(bes)			-
	TOTAL		1,649,185.40	-
	BOARDING AND SCHOOL FUND			
7	PAYMENTS			
			2020-2021	2019-2020
			Kshs	Kshs
	Fee on Boarding Equipment and Stores		2,788,855.00	
	Electricity, water & C		61,080.00	
	LT&T		131,440.00	
	Repairs and Maintenance		159,135.00	
	Personal Emoluments		106,656.00	
	Admin Costs		468,434.00	
	TOTAL		3,715,600.00	-
	<i>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, pasho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.</i>			
8	BANK ACCOUNTS			
	Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020

			Kshs	Kshs
	Tuition Account	0790260732050	82,380.06	
	Operations Account	0790260731991	(311,792.65)	
	School Fund Account/Boarding	0790260732103	287,330.00	
	Savings Account			-
	Income generating activities Account			-
	Infrastructural Account			-
	Farm Account			-
	Total		57,917.41	-
9	CASH IN HAND			
	Description		2020-2021	2019-2020
			Kshs	Kshs
	Tuition Account		-	
	Operation Account			
	School Fund account		(20,460.00)	
	Total		(20,460.00)	-
10	SHORT TERM INVESTMENTS			
	Description		2020-2021	2019-2020
			Kshs	Kshs
	Cooperative shares		-	-
	ls		-	-
	Fixed deposit		-	-
11	ACCOUNTS RECEIVABLE			

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Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	2,987,014.00	
Other non-fees receivables		-
Imprest		-
Total	2,987,014.00	-

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,039,695.00	
Fees arrears for the previous year	411,895.00	
Fees arrears for prior periods (over two years)	1,535,424.00	
Total	2,987,014.00	-

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,253,492.00	
Prepaid fees	313,934.00	
Retention monies		
Total	3,567,426.00	-

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