

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

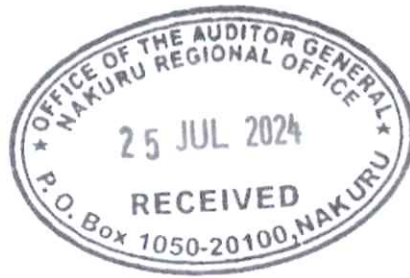
BISHOP EDWARD DONOVAN SECONDARY SCHOOL

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

NAKURU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	05 MAR 2025 Wednesday
TABLED BY:	Hon. Naomi Wigo, MP Deputy Majority Party Whip
CLERK AT THE TABLE:	Ar. Shambeko

Revised 30 June 2021.



**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD ENDED
30 June 2021**

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

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Period ended 30 June 2021**

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BISHOP EDWARD DONOVAN SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30 June 2021

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 NAKURU County, NAKURU NORTH Sub-County

The school was registered in 27/7/2021 under registration number 32S30000251 and is currently categorized as a SUB COUNTY public school established, and operated by the Government.

The school is a day school and had 345 numbers of students as at 30 June 2021. It has 2 streams and 14 teachers of which 4 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	MR. STEPHEN KIMANI	Chairman	13/05/2019
2	MRS. MARY MORO	Secretary - Principal	13/05/2019
3	MRS. REBECCA MUSANDA	Member Rep Teachers	13/05/2019
4	MR. ROSE W. KARAGITA	MemberSpecial Needs	13/05/2019
5	MRS. CATHERINE MAINA	Member - Community	13/05/2019
6	MR. HARON THUO	Member – Rep CEB	13/05/2019
7	MR. WYCLIFFE NYARAMBA	3 Members - Sponsor	13/05/2019
8	MS. SUSAN ENOCK	3 Members - Sponsor	13/05/2019
9	MS. JOYCE WANJIRU	3 Members - Sponsor	13/05/2019
10	MR. ISAAC NDUNGU	Member - Community	13/05/2019
11	MR. BRAMWEL MWANGI	Member - Community	13/05/2019
12	MR. RONALD ONYIMBO	Member	13/05/2019
13	MR. COLLIN ODUOR	Member	13/05/2019
14	MRS. ESTHER NJOROGE	Member	13/05/2019
15	COSMAS ONYANCHA	Rep Students	13/05/2019

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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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	STEPHEN KIMANI MARY. A. MORO ROSE W. KARAGITA HARON THUO BRAMWEL MWANGI	CHAIRMAN SECRETARY MEMBER REPRESENTATIVE Member – Rep CEB MEMBER	1/3
2	Audit Committee	N/A		
3	Finance, procurement and general purposes Committee	MR. STEPHEN KIMANI MRS. MARY MORO MR. HARON THUO MS. SUSAN ENOCK MR. ISAAC NDUNGU	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	1/2
4	Academic Committee	STEPHEN KIMANI CATHERINE MAINA RONALD ONYIMBO COLLIN ODUOR	CHAIRPERSON MEMBER MEMBER MEMBER	2/3
5	Development Committee	STEPHEN KIMANI MARY MORO JOYCE WANJIRU DAVID NGUGI CATHERINE MAINA WYCLIFFE NYARAMBA	CHAIRPERSON MEMBER MEMBER MEMBER MEMBER MEMBER	1/2

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PUBLIC SECONDARY SCHOOL
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6	Discipline and welfare Committee	MR. STEPHEN KIMANI MRS. MARY MORO JOYCE WANJIRU ESTHER NJOROGE	CHAIRPERSON MEMBERS MEMBER MEMBER	5/12
7	Adhoc Committee (if any during the year)	STEPHEN KIMANI MARY MORO REBECCA MUSANDA ROSE W. KARAGITA DAVID NGUGI	CHAIRPERSON MEMBER MEMBER MEMBER MEMBER	1/2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	MARY A. MORO	TSC 335091
2	Deputy Principal	REBECCA MUSANDA	TSC 273267
3	School Bursar	HARRISON KAMAU	ID. 28231519

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Period ended 30 June 2021**

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 17614-20100
Telephone: 0719416888
E-mail: bishopedwarddonovan@yahoo.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

The following school operated 7 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

OPERATION ACCOUNT

- Name of Bank: NATIONAL BANK
Branch: NAKURU
Account Number: **01025021664900**

TUITION ACCOUNT

- Name of Bank: NATIONAL BANK
Branch: NAKURU
Account Number: **01025021665100**

RMI/INFRASTRUCTURE ACCOUNT

- Name of Bank: NATIONAL BANK
Branch: NAKURU
Account Number: **01022223376800**

SCHOOL FUND ACCOUNT

- Name of Bank: EQUITY
Branch: NAKURU GATE HOUSE
Account Number: **0130262292029**

SCHOOL FUND ACCOUNT - PA

- Name of Bank: NATIONAL BANK
Branch: NAKURU
Account Number: **01025022291800**

CDF ACCOUNT

- Name of Bank: EQUITY BANK
Branch: GATE HOUSE
Account Number: **0130279889141**

SAVINGS ACCOUNT

- Name of Bank: NATIONAL BANK
Branch: NAKURU
Account Number: **01248021665500**

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
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For the Period ended *30 June 2021***

(g) Independent Auditors

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

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
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II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

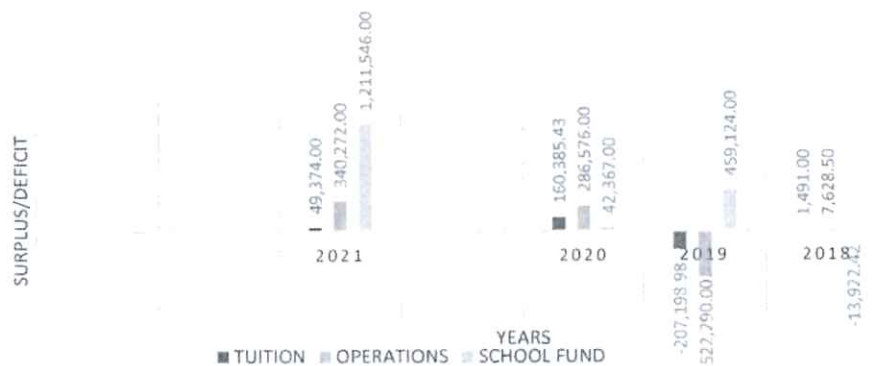
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

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

YEAR	2021	2020	2019	2018
TUITION	49,374.25	160,385.43	-207,198.98	1,491.00
OPERATIONS	340,272.45	286,576.00	-522,290.00	7,628.50
SCHOOL FUND	1,211,546.00	42,367.00	459,124.00	-
TOTAL	1,603,213.00	491,348.43	-268,345.98	-2,784.92

**SURPLUS/ DEFICIT FOR THE YEAR AND A
COMPARISON OF THE SAME FOR THE LAST
THREE YEARS**

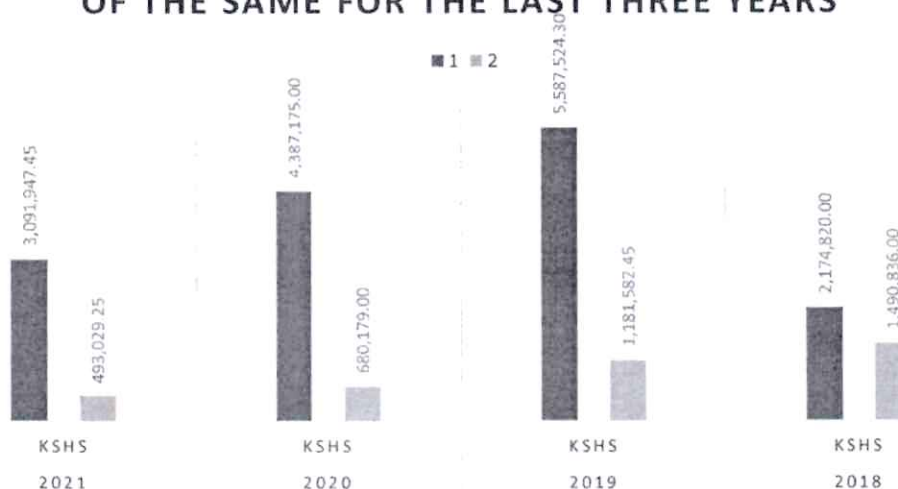


**BISHOP EDWARD DONOVAN
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b) Capitation grants for the year and comparison of the same for the last three years

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE YEAR AND COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	3,091,947.45	4,387,175.00	5,587,524.30	2,174,820.00
2	Tuition Account	493,029.25	680,179.00	1,181,582.45	1,490,836.00
	Total	3,584,976.70	5,067,354.00	6,769,106.75	3,665,656
	No of Students	379	379	363	275
	Ratio of Capitation per student	1 : 9,459.04	1: 13,370	1: 18,647	1:13,329

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE YEAR AND COMPARISON OF THE SAME FOR THE LAST THREE YEARS



**BISHOP EDWARD DONOVAN
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A THREE-YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL.

SNO	ACCOUNTS	2019	2020	2021
		KSHS	KSHS	KSHS
1	School Fund Account	3,769,021.00	1,487,062.00	3,098,963.00

d) A three-year overview of growth in expenditure

A THREE - YEAR OVERVIEW OF GROWTH IN EXPENDITURE					
SNO	ACCOUNTS	2018	2019	2020	2021
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	2,881,228.42	3,309,897.00	1,444,695.00	1,908,417.00
2	Operations Account	2,182,448.50	6,109,814.30	2,393,095.00	1,521,425.00
3	Tuition Account	1,408,345.00	1,388,781.43	519,793.57	443,655.00
4	Infrastructure Account	-	-	1,706,712.00	1,320,250.00
	Total	6,472,021.92	10,808,492.73	6,064,295.57	5,193,747.00

e) Movement of debtors and creditors of the school over the last three years

MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL				
SNO	ACCOUNTS	2021	2020	2019
		KSHS	KSHS	KSHS
a	Debtors	2,530,175.42	2,171,742.42	1,960,794.42
b	Creditors	21,800.00	461,000.00	575,056.43

f) Movement of cash and bank balances over the last three years

MOVEMENT OF CASH AND BANK BALANCES				
SNO	ACCOUNTS	2021	2020	2019
		KSHS	KSHS	KSHS
1	School Fund Account	508,694.00	-11,219.00	7,067.00
2	Operations Account	263,214.20	17,997.75	20,282.00
3	Tuition Account	25,602.15	-17,652.10	1,018.90
4	Infrastructure Account	9,038.00	2,788.00	-
5	Savings Account	-	-	
	Total	806,548.35	(8,085.35)	28,367.90

**BISHOP EDWARD DONOVAN
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b) Teacher Student ratio:

<i>TSC TEACHERS</i>	<i>BOM TEAC HERS</i>	<i>TRANSFERRED TEACHERS</i>	<i>POS TED TEA CHE RS</i>	<i>TOTAL NO OF TEACHERS</i>	<i>NO OF STUDENTS</i>
11	5	3	3	16	350

The ratio is 1:22

<u>SUBJECT</u>	<u>NO.OF TEACHERS</u>	<u>SHORTAGE</u>
CRE	2	Nil
BUSINESS	2	Nil
ENGLISH	2	1
HIST/CRE	1	1
MATHS/PHYS	2	2
CHEM	1	2
KISWA	2	1
AGRIC/BIO	1	2
GEOGRAPHY	1	1
ENG/HIST		

c) Mean score in the 2021 KCSE:

YEAR	MEAN	MEAN GRADE TARGET	+/- DEVIATION	REMARKS
2020	2.70		+0.02	Added lessons recovery sessions and introduced Continuous Assessment Tests (CATs)
2019	2.68		+0.15	Introduced remedial lessons.
2018	2.53			

**BISHOP EDWARD DONOVAN
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Students who transitioned to higher institutions of learning

YEAR	NO. OF STUDENTS	TRANSITIONED TO:
2020	5	Colleges
2019	4	Colleges
2018	2	Colleges

d) Number of Candidates in the 2020,2019 & 2018 KCSE:

YEAR	BOYS	GIRLS	TOTAL
2018			
2019	22	40	62
2020	29	24	53

e) Capacity of the school:


AMENITIES	AVAILABLE	SHORTAGE	REMARKS
Number of Students	350	-	
Laboratories	1	2	With a capacity of 50 students each.
Toilets	24	-	Enough
Classrooms	12	-	Enough
Computer Lab	1	1	With a capacity of 100 students
Kitchen	1		Enough
Library	Nil	2	with a capacity of 100 students each
Dining Hall	Nil	2	2 with a capacity of 150 students each
Playing Ground	Nil	1	
Board Room	Nil	1	
Security Staff Office	Nil	1	
Store	Nil	1	

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
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For the Period ended 30 June 2021**

f) **Development projects carried out by the school:**

PROJECT	SOURCE OF FUNDS	YEAR	STATUS
Laboratory construction	M.O.E	2021-2022	- At the walling level by 30 June 2021

Sign



School Principal


III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

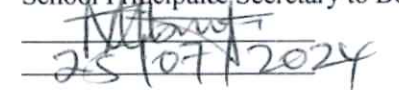
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

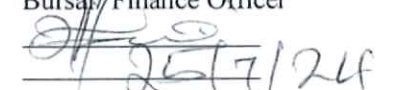
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

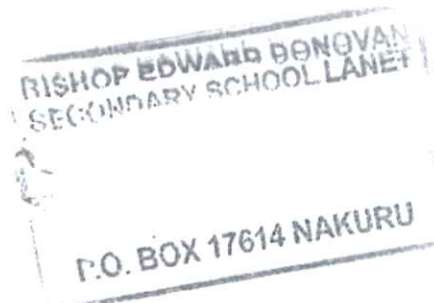
The Board of Management of BISHOP EDWARD DONOVAN SECONDARY SCHOOL accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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 30 June, 2021, and of the school's financial position as at that date.

Name: Stephen Kimani
Designation: Chairman, School Board of Management
Sign: 
Date: 25/7/24

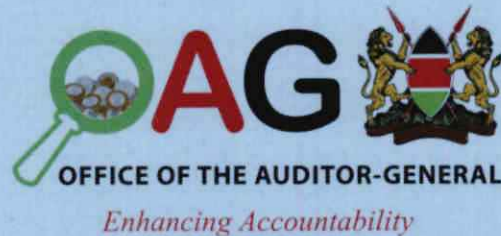
Name: Mary A. Moro
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 25/07/2024

Name: Harrison Kamau
Designation: Bursar/Finance Officer
Sign: 
Date: 25/7/24



REPUBLIC OF KENYA

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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 BISHOP EDWARD DONOVAN SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NAKURU 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 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 controls, risk management and overall 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 Bishop Edward Donovan Secondary School - Nakuru County set out on pages 15 to 24, which comprise the

Report of the Auditor-General on Bishop Edward Donovan Secondary School for the six (6) months' period ended 30 June, 2021 - Nakuru County

statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months' 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 Bishop Edward Donovan Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1.0 Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations of Kshs.493,029 and Kshs.3,181,947 as disclosed in Notes 1 and 2 to the financial statements respectively. However, the bank statements and the financial statements reflect amounts of Kshs.495,225 and Kshs.3,091,947, resulting to unexplained variances of Kshs.2,196 and 90,000.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.493,029 and Kshs.3,181,947 could not be confirmed.

2.0 Unsupported School Fund Income from Parents' Contributions

The statement of receipts and payments reflects school fund income-parents' contributions of Kshs.3,119,963 as disclosed in Note 3 to the financial statements. However, support documentation including supporting schedules and ledgers for the receipts were not provided for audit.

In the circumstances, the accuracy and completeness of school fund income parents' contributions of Kshs.3,119,963 could not be confirmed.

3.0 Accounts Receivables

3.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,530,175 as disclosed in Note 10 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.2,530,175 could not be confirmed.

3.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,530,175 in respect of fees arrears as disclosed in Note 10 to the financial statements. Included in the balance are receivables amounting to Kshs.1,588,549 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.2,530,175 could not be confirmed.

4.0 Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.806,548 as disclosed in Notes 8 and 9 to the financial statements. The following observations were made:

4.1 Lack of Bank Reconciliation Statements

Included in this balance are bank balances of Kshs.836,651 and a negative cash balance of Kshs.30,103 respectively. However, the bank balances were not supported by bank reconciliation statements. Further, included in the balance is Kshs.538,159 in respect to two (2) school fund accounts. However, the balance reflected in the financial statements is for two (2) bank accounts that ought to be reported separately instead of being lumped as one balance

4.2 Overdrawn Cash at Hand

Included in this balance is negative Kshs.30,103 in respect of cash hand. However, review of cashbooks revealed that the School overdraw the petty cash for which no explanation was provided. This was contrary to Paragraph 1 3.20 of International Public Sector Accounting Standards which requires institutions reporting under cash basis of accounting to report cash receipts, payments and balances on a gross basis. Effectively assets and liabilities, receipts and payments shall not be offset unless required or permitted by the accounting standards.

Further, review of bank records revealed that the School operated a savings account at a local bank. However, the savings account was dormant and had been reflecting a nil balance for the last two (2) years

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.806,548 could not be confirmed.

5.0 Unsupported Payments for Tuition

The statement of receipts and payments reflects tuition payments of Kshs.443,655 as disclosed in Note 5 to the financial statements. Included in this amount is Kshs.381,460 in respect of exercise books and laboratory equipment. However, examination of payment vouchers amounting to Kshs.381,460 revealed that Management made payments without proper support documents local purchase orders/local service orders, Kenya Revenue Authority electronic tax registers, distribution lists, goods received notes and invoices.

In the circumstances, the occurrence, accuracy and completeness of the tuition payments amounting to Kshs.381,460 could not be confirmed.

6.0 Inaccuracies and Unsupported Adjustments in the Statement of Receipts and Payments and Statement of Budgeted versus Actual Amounts

Review of the annual report and financial statements presented for audit revealed the following inaccuracies:

- i. The statement of receipts and payments reflects capitation for operations Kshs.3,181,947 while the re-casted amount is Kshs 1,988,947, resulting to unreconciled and unexplained variance of Kshs.1,193,000; and
- ii The amounts and balances in the financial statements and notes are not rounded off to the nearest shilling

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

7.0 Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts was incomplete and therefore no analysis on final receipts budget and actual on a comparable basis could be done to determine the under/over collection of receipts. Similarly, the amount spent against an approved budget was also incomplete and therefore under or over expenditure could not be determined. Further, the audit could not determine whether the budget was balanced.

8.0 Failure to Reflect Comparative Amounts and Balances

Review of the financial statements presented for audit revealed that the School did not reflect comparative amounts and balances for the twelve (12) months period from 1 January, 2020 to 30 December, 2020. This was contrary to the Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of August, 2021 which 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.

In the circumstances, the School did not adhere to the guidelines as issued by the Public Sector Accounting Standards Board (PSASB) on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools and the accuracy and completeness of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bishop Edward Donovan 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 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 Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.2,841,675 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.217,800 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.217,800 could not be confirmed.

2.0 Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.493,029 and Kshs.3,181,947 respectively as disclosed in Notes 1 and 2 to the financial statements. During the period, NEMIS reported a total number of 379 students while the enrolment records provided by the School indicated a total number of 294 students, resulting to an unexplained variance of 85 students. As a result of the variances, the School was over-funded by an amount of Kshs.804,015.

In the circumstances, the accuracy and completeness of capitation grants for tuition and capitation grants for operations amounting to Kshs.493,029 and Kshs.3,181,947 respectively could not be confirmed.

3.0 Unsupported Fixed Assets Balance

Review of the financial statements revealed that the summary of fixed assets register was not presented in Annex 2 to the financial statements as required by the Public Sector Accounting Standards Board template. Further, the School did not maintain a fixed assets register indicating dates of assets acquisition, types of assets, suppliers' names, values, custodians and locations in respect of the assets it owns. This was contrary to Regulation 143(1)(2) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

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

4.0 Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.6,794,940 and Kshs.5,193,747 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

In the circumstances, Management was in breach of the law

5.0 Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The amounts and balances in all the financial statements and their notes are presented for the year ended 30 June, 2021 and not for six months period ending 30 June, 2021;
- ii. The statement of receipts and payments and statement of cash flows indicate 'for the period ended 30 June, 2021' instead of 'the six months' period ended 30 June, 2021';
- iii. The cover page reflects 'annual report and financial statements for the financial period ended 30th June, 2021' instead of 'six months' report and financial statements for the period ended 30 June, 2021';
- iv. Preamble information pages are not in roman numbers;
- v. The table of contents is not aligned as per the page numbering;
- vi. Page numbering is incorrect after page 16 for statement for financial assets and financial liabilities whereby page 17 is blank, page 24 is repeated while pagination begins again at page 11 onwards.

In the circumstances, Management was in breach of the Public Sector Accounting Standards Board (PSASB) guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

6.0 Late Submission of Annual Report and Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 7 February, 2023 instead of statutory date of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that 'the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.'

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

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 matter 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. Lack of Adequate Facilities in the School

The School lacked facilities such a library and outdoor playing facilities for the students, contrary to Regulation 64 of Basic Education Regulations, 2015 which states that 'every institution of basic education and training shall have provisions for outdoor playing facilities and equipment, both for outdoors and indoors with provisions for persons with disabilities.

In the circumstances, the learning environment at the School is not conducive to students as envisaged.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register which includes land of undetermined value. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of land of undetermined value could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards requires 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 Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 controls, risk management and governance.

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

The Board of Management 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 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 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 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


25 September, 2024


**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	493,029.25	-
Capitation grants for operations	2	3,181,947.45	-
School Fund Income- Parents' Contributions	3	3,119,963.00	-
School Fund Income- Other receipts	4	-	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		6,794,939.70	-
PAYMENTS			
Payments for Tuition	5	443,655.00	-
Payments for operations	6	2,841,675.00	-
Day school fund payments	7	1,908,417.00	-
TOTAL PAYMENTS		5,193,747.00	-
SURPLUS/DEFICIT		1,601,192.70	-

The school financial statements were approved on _____ 2022 and signed by:

Sign: 
Name: David Njoroge
Chair BOM

Sign: 
Name: MORO A MARY
School Principal/
Secretary to BOM

Sign: 
Name: Harrison Kamau
Bursar/
Finance Officer

Date: 25/7/24

Date: 25/07/2024

Date: 25/7/24

BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL LANET

P.O. BOX 17614 NAKURU

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30 JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	836,651.35	
Cash Balances	9	(30,103.00)	
Short term Investment	10	-	
Total Cash and cash equivalent		806,548.35	
Account's receivables	10	2,530,175.42	
TOTAL FINANCIAL ASSETS		3,336,723.77	
FINANCIAL LIABILITIES			
Accounts Payables	11	21,800.00	
NET FINANCIAL ASSETS		3,314,923.77	
REPRESENTED BY			
Accumulated Fund b/fwd	12	1,713,731.07	
Surplus/Deficit for the year		1,601,192.70	
NET FINANCIAL POSSITION		3,314,923.77	

The school's financial statements were approved on _____ 2022 and signed by:

Name: David Ngong'o Name: MORO-A M Name: Hamson Kamau
 Chairman, BoM School Principal Bursar
 Sign: [Signature] Sign: [Signature] Sign: [Signature]

BISHOP EDWARD DONOVAN
SECONDARY SCHOOL LANET

P.O. BOX 17614 NAKURU

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BISHOP EDWARD DONOVAN SECONDARY SCHOOL
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BISHOP EDWARD DONOVAN SECONDARY SCHOOL
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	493,029.25	
Capitation grants for operations	2	3,181,947.45	
School fund income- Parents contributions/ fees	3	3,119,963.00	
School fund income- other receipts	4	-	
Adjustment increase in receivables		(358,433.00)	
Total receipts		6,436,506.70	
Payments			
Payments for Tuition		443,655.00	
Payments for operations		1,521,425.00	
Boarding and school fund payments		1,908,417.00	
Adjustment decrease in payables		439,200.00	
Total payments		4,312,697.00	
Net cash flow from operating activities		2,123,809.70	
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	
Acquisition of Assets		(1,320,250.00)	
Proceeds from investments		-	
Purchase of investments		-	
Net cash flows from Investing Activities		(1,320,250.00)	
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		803,559.70	
Cash and cash equivalent at BEGINNING of the year		2,988.65	
Cash and cash equivalent at END of the year		806,548.35	

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.

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Textbooks and reference materials	83,000.00		69,024.10	13,976	83.2%
Exercise books	270,000.00		241,584.33	28,416	89.5%
Laboratory equipment	151,938.00		69,024.10	82,914	45.4%
Internal exams	182,850.00		39,442.34	143,408	21.6%
Teaching / learning materials	42,060.00		34,512.04	7,548	82.1%
Chalks	5,940.00		-	5,940	0.0%
Exams and assessment	49,500.00		39,442.34	10,058	79.7%
(2) Capitation Grant on Operations	0				
Personnel emoluments	752,220.00		494,325.29	257,895	65.7%
Repairs and maintenance	947,500.00		247,161.00	700,339	26.1%
Local transport / travelling	513,000.00		335,435.02	177,565	65.4%
Electricity and water	121,250.00		70,619.90	50,630	58.2%
Medical	0		-	-	
Administration costs	394,830.00		247,162.64	147,667	62.6%
Activity	284,250.00		370,744	(86,494)	130.4%
Funds Transferred to Infrastructure & Lunch	0		1,416,500	(1,416,500)	
SMASSE	37,900.00			37,900	0.0%
(3) Fees Charged on Parents	0				
Lunch Program	2,224,600.00		3,119,963.00	(895,363)	140.2%
TOTAL INCOME	6,060,838.00		6,794,940	(734,102)	112.1%

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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(4) Expenditure For Tuition					
Textbooks and reference materials	173,765.03		98,170	75,595	56%
Exercise books	70,801.68		40,000	30,802	56%
Laboratory equipment	138,576.59		78,290	60,287	56%
Internal exams	7,080.17		4,000	3,080	56%
Teaching / learning materials	292,154.29		165,055	127,099	56%
Photocopier & Computers	67,084.59		37,900	29,185	56%
Bank Charges	424.81		240	185	56%
Refund of money borrowed from account	35,400.84		20,000	15,401	56%
(5) Expenditure For Operations					
Other Voteheads	44,618.59		36,966	7,653	83%
Personnel emoluments	680,318.23		563,636	116,682	83%
Administration Cost	890,583.00		737,838	152,745	83%
Repairs and maintenance & improvements	38,021.04		31,500	6,521	83%
Local transport / travelling	110,345.49		91,420	18,925	83%
Electricity and water	40,827.35		33,825	7,002	83%
Insurance Cost	31,382.44		26,000	5,382	83%
Bank Charges	289.68		240	50	83%
Infrastructure	1,593,564.18		1,320,250	273,314	83%
(6) EXPENDITURE FOR LUNCH					
Lunch Programme	2,224,600.00		1,903,307	321,293	86%
Bank Charges			5,110	(5,110)	
TOTAL	6,439,838.00		5,193,747	1,246,091	80.7%

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IX. Commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

-The capitation was budgeted on a higher number of students than the actual capitation received hence the percentage below 90%

-The actual expenditure exceeded the budgeted amount hence the overutilization above 100%

X. 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, imprest 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 30 June 2021.

**BISHOP EDWARD DONOVAN
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XI. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	69,024.10	
Exercise books	241,584.33	
Laboratory equipment	69,024.10	
Internal exams	39,442.34	
Teaching / learning materials	34,512.04	
Chalks	0	
Exams and assessment	39,442.34	
Teachers guides	0	
Total	493,029.25	

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
To Infrastructure AC	1,326,00.00	
Other Vote heads	1,765,447.45	
Transfer from school funds AC	90,000.00	
Total	3,181,947.45	

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Lunch Programm	3,092,463.00	
School ID	6,500.00	
Transfer from operation AC	21,000.00	
Electricity and water	0	
Lunch	0	
Administration costs	0	
SMASSE	0	
Total	3,119,963.00	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
Rent income		
Income from farming activities		
Insurance compensation		
Income from Posho mill		
Income from Bus Hire		
Fee for hire of ground and equipment		
Income from grants and donations		
Interest income		
Dividends income		
Total		

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

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	98,170.00	
Exercise books	40,000.00	
Laboratory equipment	78,290.00	
Internal exams	4,000.00	
Teaching / learning materials	165,055.00	
Chalks	0	
Photocopier & Computers	37,900.00	
Teachers guides	0	
Refund of money borrowed from Account	20,000.00	
Bank Charges	240.00	
Total	443,655.00	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Medical	36,966.00	
Personnel emoluments	563,636.00	
Administration Cost	737,838.00	
Repairs and maintenance & improvements	31,500.00	
Local transport / travelling	91,420.00	
Electricity and water	33,825.00	
Insurance Cost	26,000.00	
Bank Charges	240.00	
Infrastructure	1,320,250.00	
TOTAL	2,841,675.00	

7 DAY SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Service Gratuity		
Repairs and maintenance & Improvements		
Local transport / travelling		
Electricity and water		
Medical Expenses		
Administration costs		
Lunch Programme	1,903,307.00	
Bank Charges	5,110.00	
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores		
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal repayment		
Loan Interest repayment		
Acquisition of Assets		
TOTAL	1,908,417.00	

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

**BISHOP EDWARD DONOVAN
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1025021665100	25,602.15	
Operations Account	1025021664900	263,852.20	
School Fund Account- EQUITY	0130262292029	530,477.00	
School Fund Account - NBK	1025022291800	7,682.00	
Savings Account	1248021665500	0	
Infrastructural Account	1022223376800	9,038.00	
Total		836,651.35	

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0	
Operation Account	(638.00)	
School Fund account	(29,465.00)	
Total	(30,103.00)	

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
Total	0.00	0.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	2,530,175.42	2,171,742.42
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
Total	2,530,175.42	2,171,742.42

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	386,353.00	555,273.00
Fees arrears for the previous year	555,273.00	-
Fees arrears for prior periods (over two years)	1,588,549.42	1,616,469.42
Total	2,530,175.42	2,171,742.42

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	-	461,000.00
Prepaid fees	21,800.00	-
Retention monies	-	-
Total	21,800.00	461,000.00

12 ACCOUNTS PAYABLE

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	-	461,000.00
Trade creditors for the previous year	461,000.00	0
Trade creditors for the previous year -paid	(461,000.00)	
Trade creditors for prior periods (over two years)	0	0
Total	0.00	461,000.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	2,284.65	-
Cash balances	704.00	-
Short Term Investments		-
Receivables	2,171,742.42	-
Payables	461,000.00	-
Total	1,713,731.07	-

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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	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	0		
Goats	0		
Trees	59		
Coffee or tea plantation	0		
Poultry	0		
Total			

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	0	
Borrowings during the year	0	
Repayments of during the year	0	
Balance at end of the year		

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Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at end of the year		

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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	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 June 2021
Land 1			2 Acres			
Land 2						
Buildings and structures - Classrooms			18	1	-	19
Motor vehicles			-	-	-	0
Office equipment, furniture and fittings			574	74	-	648
ICT Equipment, and Other ICT Assets			19	3	-	22
Tools and apparatus			3,635	421	-	4,056
Textbooks			11,850	426	-	12,276
Other Machinery and Equipment			37	6		43
Heritage and cultural assets			4			4
Intangible assets- software			1		-	1
Total						

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