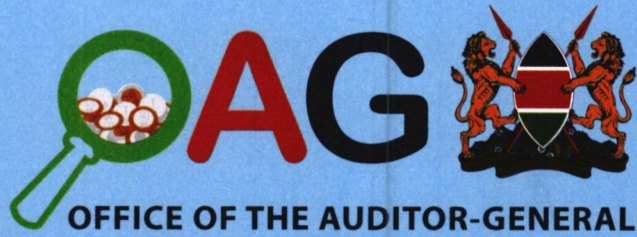



REPUBLIC OF KENYA



*Enhancing Accountability*



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DATE: 23 NOV 2023	DAY: <u>Tues</u>
TABLED BY:	<u>Hon. Kimani Ichungwah, MP</u> <i>Leader of the majority party</i>
CLERK-AT THE TABLE:	<u>Miriam Mado</u>

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**S.A. KOLANYA BOYS HIGH SCHOOL**

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

**BUSIA COUNTY**



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**S.A KOLANYA BOYS HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL**

**AUDIT REPORT AND FINANCIAL STATEMENTS**

**FOR SIX MONTHS PERIOD ENDED  
30<sup>th</sup> JUNE 2021**

---

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

**S.A KOLANYA BOYS HIGH SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Audit Report and Financial Statements**  
**For six months period ended 30<sup>th</sup> June 2021**

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

**(a) Background information**

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

The school was registered in March 2021 under registration number 408300000169 and is currently categorized as an *Extra County* public school established, owned or operated by the Government.

The school is a boarding school and had 1244 number of students as at 30<sup>th</sup> June 2022. It has 6 streams and 54 teachers of which 15 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	SHEM ISBAH PAPAH	Chairman	12/5/2022
2	ALBERT K. MASILOLO	Secretary - Principal	12/5/2022
3	PATRICK WANDIEMA MATEP	Member	12/5/2022
4	ROSELYNE AMUNYELET	Member	12/5/2022
5	OMULEPUSAMMY BARASA	Member	12/5/2022
6	EVERLYNE MUKENYELI OLUBAYI	Member	12/5/2022
7	JANEPHER OKARONI AMUKUJE	Member	12/5/2022
8	REBECCA ABWAKU	Member – Rep CEB	12/5/2022
9	DAVID SIMIYU	Member Rep Teachers	12/5/2022
10	HARRISON ANGATIA YESWA EUNICE ILUKU OSHOROM SHEM ISUBAH PAPAH	3 Members - Sponsor	12/5/2022
11	WYCLIFFE ORIDI	Member - Community	12/5/2022
12	GODFREY IPALEI(HSC)	MemberSpecial Needs	12/5/2022
13	SAMUEL ASIGU	Rep Students	12/5/2022

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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
1	Executive Committee	1.MR. ALBERT K.MASIOLO	SECRETARY
		2.MR. SHEM ISUBAH PAPAH	CHAIR
		3.MR. PATRICK WANDIEMA MATEP	MEMBER
		4.CAPT. HARRISON YESWA	MEMBER
		5. MRS. REBECCA ABWAKU	MEMBER
		6.MRS.EVERLYNE MUKUNYELI	MEMBER
2	Audit Committee	1.SHEM ISUBAH PAPAH	MEMBER
		2.ABWAKU REBACCA	MEMBER
		3.CAPT. HARRISON YESWA	MEMBER
		4.PATRICK MATEP	MEMBER
		5. SAMMY OMULEPU	CHAIR
3	Finance,procurement and general purposes Committee	1. MR. PATRICK MATEP	MEMBER
		2.MRS. REBECCA ABWAKU	MEMBER

**S/A KOLANYA BOYS HIGH SCHOOL  
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For six months period ended 30<sup>th</sup> June 2021**

		3.CAPT. HARRISON YESWA	MEMBER
		4. MR OMULEPU SAMMY BARASA	CHAIR
4	Academic Committee	1. PROF. OLUBAYI OLUBAYI	CHAIR
		2. MRS. MARY IJAA OKWII	MEMBER
		3. MR. DAVID MASIKA	MEMBER
		4. MRS MUKUNYELI OLUBAYI	MEMBER
		5. MRS ROSELYNE AMUNYELET	MEMBER
		6. MR. GODFREY IPALEI	MEMBER
5	Development Committee	1. MR.SHEM PAPAHA	MEMBER
		2. MR.WYCLIFFE ORIDI	CHAIR
		3. MRS. JENIFER OKARONI	MEMBER
6	Discipline and welfare Committee	1. MR. WYCLIFFE OSANGIRI	CHAIR
		2. EUNICE OSHOROMO ILUKU	MEMBER
		3. CAPT. HARRISON YESWA	MEMBER
		4. MRS.EVERLYNE MUKUNYELI	MEMBER
		5. MR. ROGIERS OYAKAPELI	MEMBER
7	Adhoc Committee (if any during the year)		

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	MR. ALBERT K. MASILOLO	335614
2	Deputy Principal	MR. GEORGE OYODA	388114
3	School Bursar	MR. ISAAC EMORU	ID NO.21393914

**S.A KOLANYA BOYS HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
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For six months period ended 30<sup>th</sup> June 2021**

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**(e) Schools contacts**

Post Office Box: 19-50209  
Telephone: 0794727875/0207853523  
E-mail: sakolanyahigh@gmail.com  
Website: www.sakolanyaboys.sc.ke  
Facebook:  
Twitter:

**(f) School Bankers**

(g)

(h) The following school operated 6 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB BANK  
Branch: MALABA  
Account Number: 1267374330-TUITION ACCOUNT  
1267374624-OPERATIONS ACCOUNT  
1102088781- SCHOOL FUND ACCOUNT  
1135326320- INFRASTRUCTURE ACCOUNT
  
2. Name of Bank: EQUITY BANK  
Branch: MALABA BRANCH  
Account Number: 1050279328754- FEE COLLECTION ACCOUNT  
1050276556805-NG CDF ACCOUNT  
1050277980527-GRATUITY ACCOUNT
  
3. MPESA Pay Bill No. 251565 attached to KCB bank account 110288781

**(i) Independent Auditors**

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

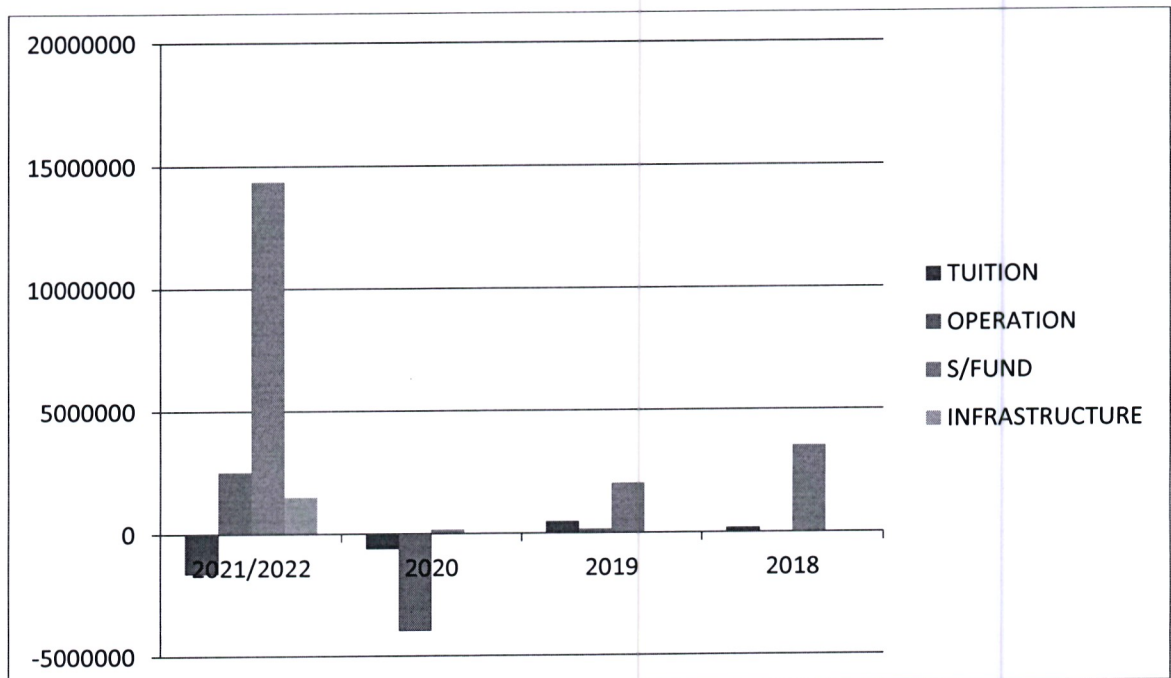
**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

**a) Financial performance:**

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

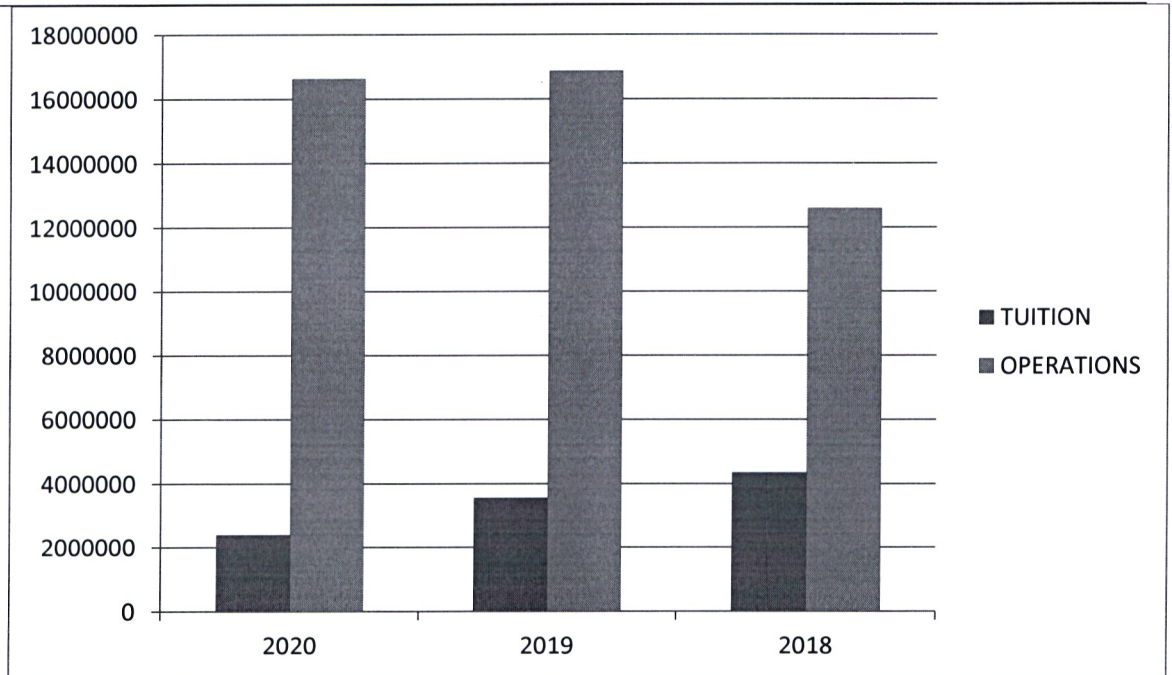
YEAR	2021/2022	2020	2019	2018
TUITION	(1,631,699)	(616,385.72)	475,666.22	183,622.50
OPERATIONS	2,508,739.09	(3,984,313)	2,186,066.08	632,716.41
SCHOOL FUND	14,362,626.02	15,4951	200,5088	3,517,729.75
INFRASTRUCTURE	1,482,702	0	0	0



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

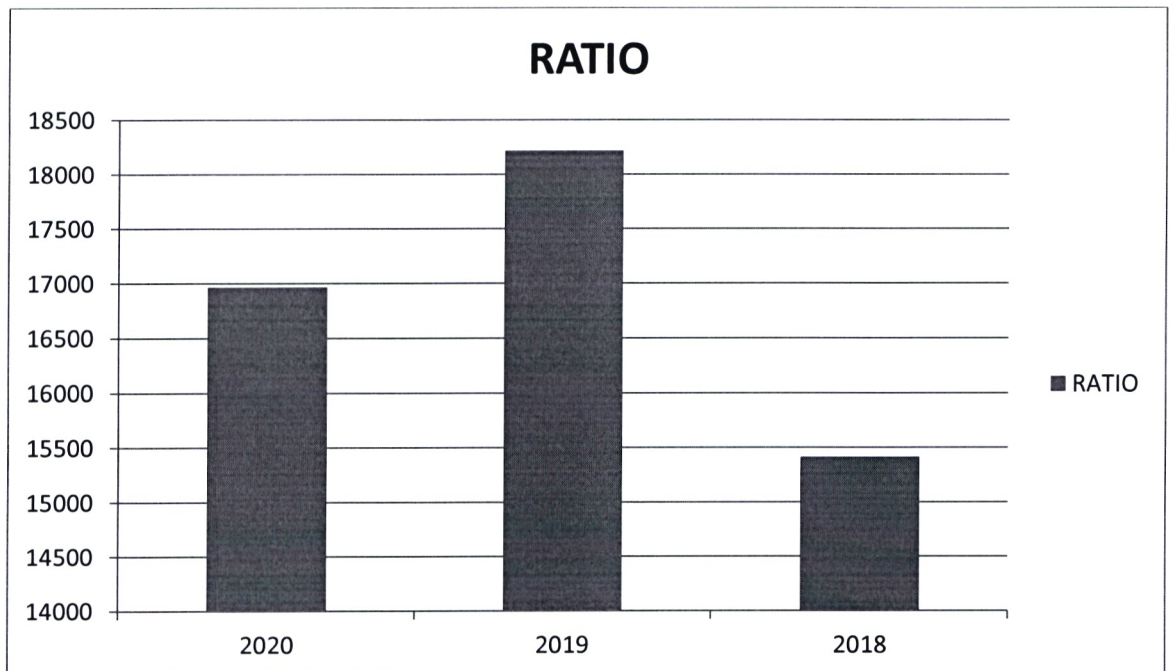
YEAR	2020	2019	2018
TUITION	2,406,560	3,567,596.22	4,353,298.02
OPERATIONS	16,630,226.10	16,870,618.95	12,600,213.9

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For six months period ended 30<sup>th</sup> June 2021**



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

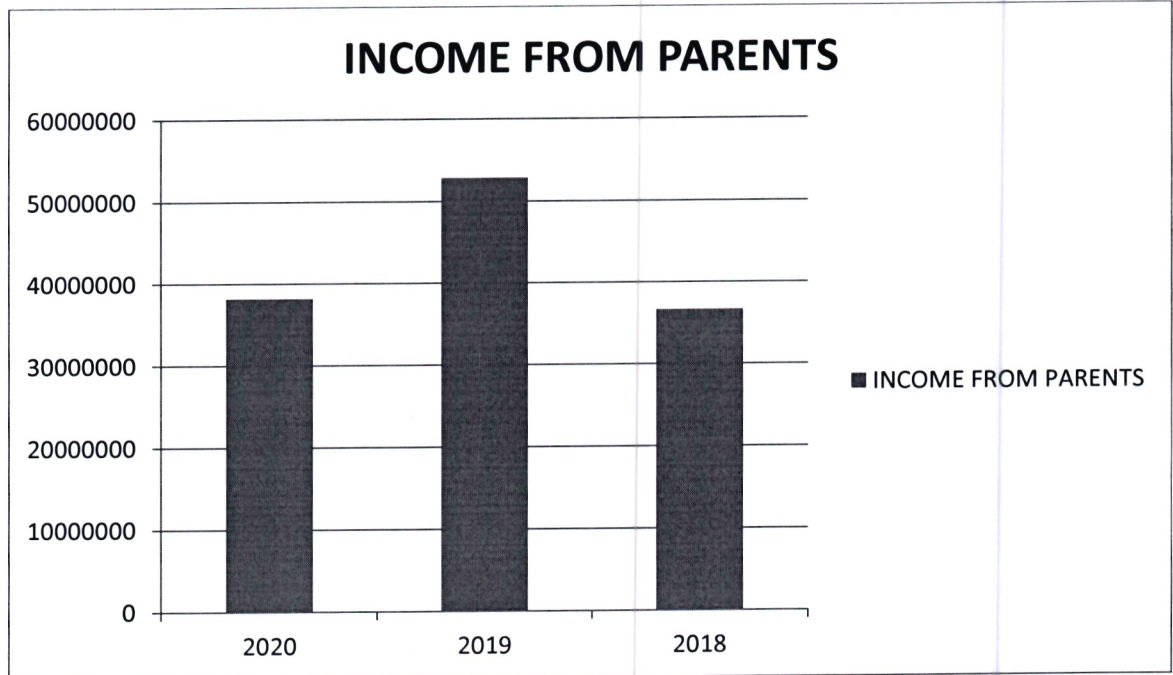
YEAR	2020	2019	2018
RATIO	16,966.83	18,215.88	15,412.28



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

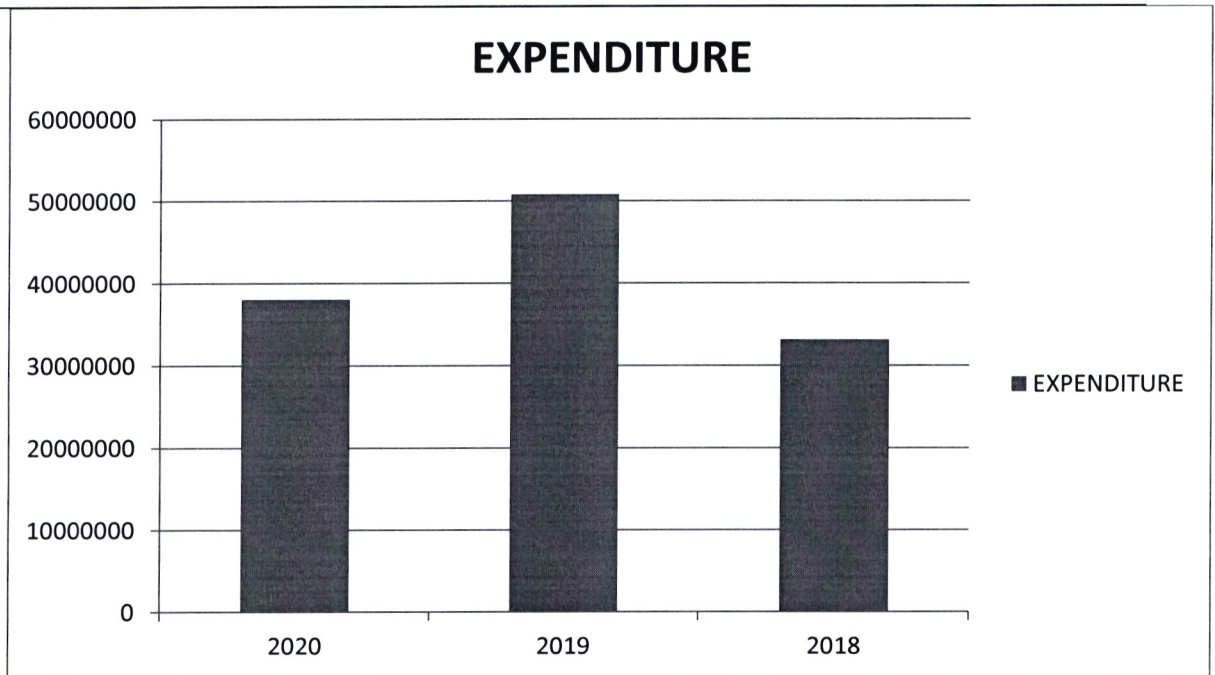
YEAR	2020	2019	2018
INCOME FROM PARENTS	38,151,697.50	52,812,254.50	36,618,640.75



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

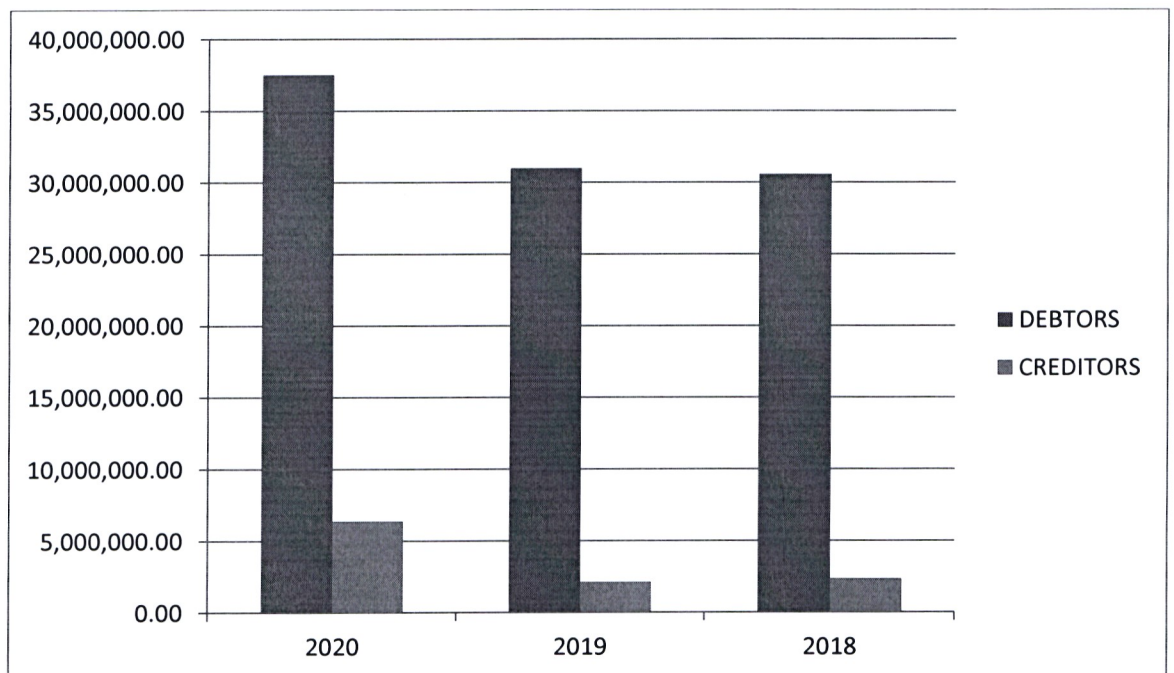
YEAR	2020	2019	2018
PARENTS EXPENDITURE	37,996,746.50	50,807,166.50	33,100,911

**S.A KOLANYA BOYS HIGH SCHOOL  
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Audit Report and Financial Statements  
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- *Movement of debtors and creditors of the school over the last three years*

YEAR	2020	2019	2018
DEBTORS	37,511,415.22	30,977,790.44	30,563,497.14
CREDITORS	6,362,605.00	2,121,880.00	2,331,498.35

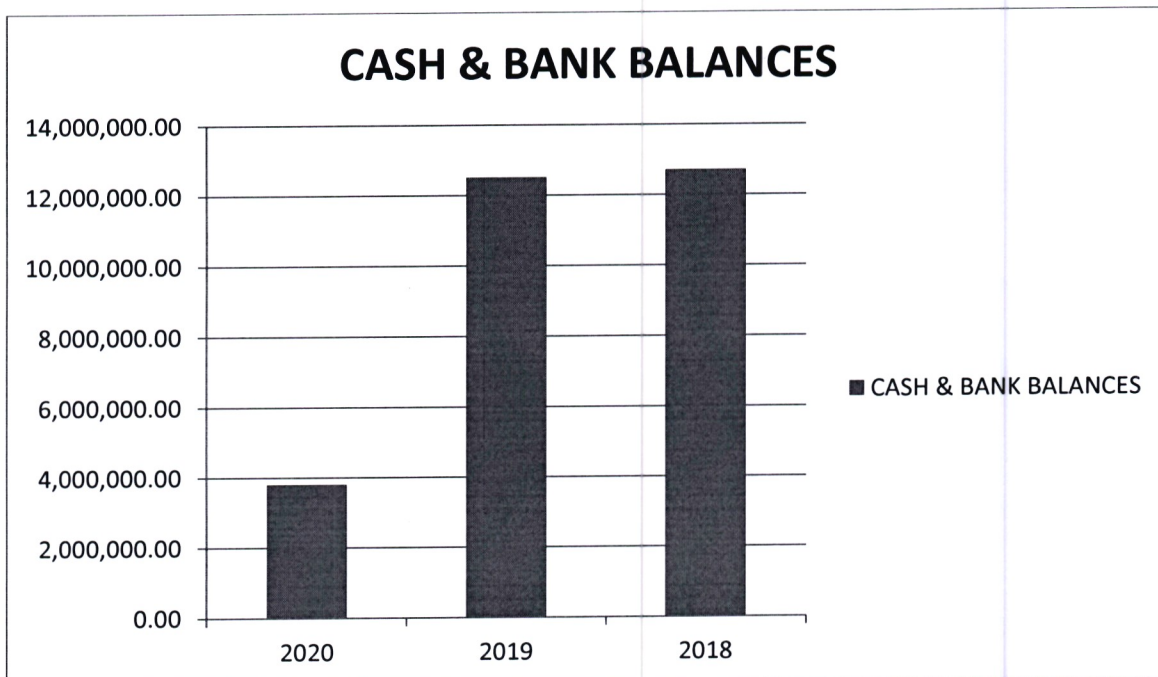


**S.A KOLANYA BOYS HIGH SCHOOL  
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- *Movement of cash and bank balances over the last three years*

YEAR	2020	2019	2018
CASH & BANK BALANCES	3,805,092.95	12,510,630.09	12,708,045.89

-  
-  
-



b) : **Teacher Student ratio:**

*Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources*

c) **Mean score in the 2018-2020 KCSE:**

YEAR	GRADE C+& ABOVE	MEAN
2018	40	4.87
2019	73	5.47
2020	125	6.37

Performance is on an upward trajectory over the past three years as shown in both the mean score as well as the number attaining university entry requirement.

**S.A KOLANYA BOYS HIGH SCHOOL  
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**Number of Candidates in the 2018-2020 KCSE:.** *Last three years.*

d)

<i>YEAR</i>	<i>KCSE ENTRY</i>
2018	212
2019	236
2020	286

e) **Capacity of the school:**

*Number of student's vs. Facilities*

<i>FACILITY</i>	<i>NUMBER</i>	<i>STUDENTS</i>
<i>dormitories</i>	12	1244
<i>latrines</i>	60	1244
<i>dining hall</i>	1	1244
<i>classes</i>	25	1244
<i>laboratories</i>	4	1244

**S.A KOLANYA BOYS HIGH SCHOOL  
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**a) Development projects carried out by the school:**

**PROJECT**

THREE STOREYED DORMITORY

FOUR CLASSROOMS

**SOURCE OF FUNDS**

MINISTRY OF EDUCATION M.I FUNDS

PARENTS

**Sign**



**School Principal**

**S.A KOLANYA BOYS HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Audit Report and Financial Statements  
For six months period ended 30<sup>th</sup> June 2021**

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**III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

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

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

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

The 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<sup>th</sup> June, 2021, and of the school's financial position as at that date.

**Name:** Mr Shem Isubah Papah  
**Designation:** Chairman, School Board of Management

**Sign:**  \_\_\_\_\_

**Date:** 29/6/2023

**Name:** Mr ALBERT K. MASILO  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**  \_\_\_\_\_

**Date:** 29/6/2023

**Name:** Mr Isaac Emoru  
**Designation:** Bursar/ Finance Officer

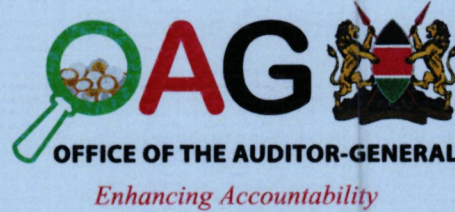
**Sign:**  \_\_\_\_\_

**Date:** 29/6/2023



# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON S.A. KOLANYA BOYS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – BUSIA 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 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 S.A. Kolanya Boys High School – Busia County set out on pages 15 to 29, which comprise of the statement of financial

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*Report of the Auditor-General on S.A. Kolanya Boys High School for the six (6) months' period ended 30 June, 2021- Busia County*

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of budget versus actual amounts for the 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, 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 S.A. Kolanya Boys High School – Busia County as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Adverse Opinion**

### **1. Inaccuracies in the Financial Statements**

Review of the financial statements for the School revealed the following inaccuracies:

#### **1.1 Inaccuracies of Students NEMIS Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition of Kshs.1,459,770 and capitation grants for operations of Kshs.11,152,220 as disclosed in Note 1 and Note 2 respectively, both totalling to Kshs.12,611,990. Review of the National Education Management Information System (NEMIS) report and the School's manual enrolment register revealed that the number of students captured in NEMIS was more than the number recorded in the School's manual register, resulting in overfunding by Kshs.179,496 as detailed below:

<b>Month</b>	<b>Capitation per Student (Kshs.)</b>	<b>Number of Students per NEMIS</b>	<b>Capitation Received (Kshs.)</b>	<b>Number of Students per Manual Register</b>	<b>Expected Capitation (Kshs.)</b>	<b>Variance in Student Numbers</b>	<b>Over Funding (Kshs.)</b>
February 2021- Operations	3,370	1,120	3,774,400	1,096	3,693,520	24	80,880
April 2021 - Operations	2,796	1,120	3,131,520	1,096	3,064,416	24	67,104
February 2021 Tuition	601	1,120	673,120	1,096	658,696	24	14,424
April 2021 Tuition	712	1,120	797,440	1,096	780,352	24	17,088
<b>Total</b>			<b>8,376,480</b>		<b>8,196,984</b>		<b>179,496</b>

Further, the overfunding of Kshs.179,496 was not included under accounts payable balance of Kshs.8,534,428 reflected in the statement of financial assets and financial liabilities.

In the circumstances, the accuracy and completeness of capitation grants totalling Kshs.12,611,990 and the accounts payable balance of Kshs.8,534,428 could not be confirmed.

## 1.2 Variances between Financial Statements and Supporting Schedules Balances

Review of the statement of receipts and payments revealed that five (5) items had amounts that were at variance with the supporting schedules provided for audit as detailed below:

Details	Notes	Balances in 2020/2021 Financial Statements (Kshs.)	Balances as per the Supporting Schedules (Kshs.)	Variance (Kshs.)
Capitation Grants for Tuition	1	1,459,770	1,760,490	300,720
Capitation Grants for Operations	2	11,152,220	7,586,451	3,565,769
School Fund Income - Parents Contributions	3	20,237,144	96,398,786	76,161,642
School Fund Income - Other Receipts	4	736,900	383,500	353,400
Maintenance and Improvements	6 & 7	2,924,990	1,256,265	1,668,725

In the circumstances, the accuracy and completeness of the amounts in the statement of receipts and payments could not be confirmed.

## 2. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents balance of Kshs.6,932,885 as disclosed in Note 8 to the financial statements. However, the balance is indicated as net of cash outflows from operating activities of Kshs.527,546, which is also incorrectly presented as net cash flows from financing activities. In addition, the statement of cash flows reflects Kshs. Nil cash and cash equivalents opening balance while the bank reconciliation statements reflected balances totaling to Kshs.1,607,151 with effect from 1 July, 2020. Further, the cash books for the respective accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,932,885 could not be confirmed.

### **3. Unsupported Capitation Grants for Operations - Medical Insurance Transfers**

As disclosed in Note 2 to the financial statements, the statement of receipts and payments reflects capitation grants for operations totalling to Kshs.11,152,220 which includes an amount of Kshs.2,242,000 in respect of medical and insurance. However, the supporting documents including NEMIS receipts schedules and acknowledgments to the Ministry of Education were not provided for audit.

In the circumstances, the accuracy and completeness of the amount of Kshs.2,242,000 in capitation grants for medical and insurance could not be confirmed.

### **4. Unsupported Accounts Receivables Balance**

As disclosed in Note 10 to the financial statements, the statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,673,323. However, Note 10 to the financial statements reflects a balance of Kshs.41,187,739, resulting to an unexplained and unreconciled variance of Kshs.37,511,415. Further, the supporting schedules were not provided for audit review. In addition, as disclosed in Note 10 to the financial statements, the accounts receivable balance of Kshs.3,673,322 excludes fees arrears of previous year of Kshs.11,112,532 and fees arrears over two years old of Kshs.26,398,884. No evidence was provided of efforts made to recover these overdue fees arrears.

In the circumstances, the accuracy, completeness, and recoverability of accounts receivables balance of Kshs.3,676,323 could not be confirmed.

### **5. Unsupported Accounts Payables Balance**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.8,534,428, which as disclosed in Note 11 to the financial statements excludes Kshs.2,531,862 and Kshs.3,946,147 in respect of trade creditors for prior year and previous years (over two years), all totalling to Kshs.6,478,009. Further, supporting schedules, invoices and goods delivery notes were not provided for audit review.

In the circumstances, the accuracy, completeness and validity of accounts payables balance of Kshs.8,534,428 could not be confirmed.

### **6. Unsupported Other Receipts –School Fund Account**

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects of an amount of Kshs.736,900 in respect of school fund account which includes gratuity amount of Kshs.300,000. However, supporting documents including bank statements and schedules for the gratuity amount were not provided for audit.

In the circumstances, the completeness, accuracy and validity of Kshs.300,000 in respect of gratuity could not be confirmed.

## **7. Unsupported Payments**

The statement of receipts and payments reflects amounts of Kshs.2,019,445, Kshs.9,448,148 and Kshs.22,645,987 in respect of payments for tuition, payments for operations and boarding and school fund payments totalling to Kshs.34,113,580. However, supporting documents including supporting schedules and payment vouchers were not provided for audit.

In the circumstances, the accuracy, completeness and validity of payment totalling to Kshs.34,113,580 could not be confirmed.

## **8. Unsupported Cash and Cash Equivalents Balance**

As disclosed in Note 8 to the financial statements, the statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.6,932,885 relating to bank balances. However, the bank balance was not supported with certificates of bank balances and bank reconciliation statements.

In the circumstances, the accuracy and completeness of the balance of Kshs.6,932,885 in respect of cash and cash equivalents could not be confirmed.

## **9. Board of Management Allowances**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects boarding and school fund payments of Kshs.22,645,987 which includes an amount of Kshs.497,784 in respect of local transport and subsistence allowances paid to Board of Management members. However, the expenditure was not supported by signed Board minutes and attendance registers.

Further, review of the payment schedule to the Board members revealed that the chairman and members were paid Kshs.7,000 and Kshs.5,000 respectively per sitting instead of the approved rates of Kshs.5,000 and Kshs.4,000 respectively, contrary to the Salaries and Remuneration Commission Circular Ref: SRC/ADM/CIR/1/13(122) of 16 April, 2014 on the payment of taskforce allowance and remuneration of commission of inquiry, tribunal, boards and committees appointed by Government. Therefore, the Board members were overpaid sitting allowances amounting to Kshs.64,500 during the period under review.

In the circumstances, the regularity of the rates used could not be confirmed and Management was in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the S.A Kolanya Boys High School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

## **Other Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts revealed casted final income budget and actual on comparable basis of Kshs.57,517,040 and Kshs.30,209,226 respectively, resulting in an under-funding of Kshs.27,307,814 or 47% of the budget. Similarly, casting of the final expenditure budget and actual on comparable basis revealed amounts of Kshs.83,762,910 and Kshs.23,581,549 respectively, resulting in an under-absorption of Kshs.60,181,366 or 72% of the budget.

In addition, the budget amounts presented were not supported by approved budget as required by Regulation 31(1) and (2) of the Public Finance Management (National Government) Regulations, 2015. The section requires the Accounting Officer to ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations. The Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates.

The under-funding and under-absorption of the budget affected the planned activities and may have impacted negatively on service delivery to the public and the Management was in breach of the law.

## **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, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section 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 Reporting Requirements**

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in

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

However, Management presented the annual report and financial statements covering only six months for financial year 2020-2021 with no comparative balances for financial year 2019-2020. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed by the Public Sector Accounting Standards Board.

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

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

## **2. Lack of an Approved Procurement Plan**

The School did not provide an approved procurement plan for the period under review for audit. This was contrary to Regulation 40(4) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the consolidated annual procurement plan shall be prepared by the accounting officer of the procuring entity and approved by the Cabinet Secretary, or County Executive Committee Member of Finance responsible for that entity or, where applicable, by the Board of directors or a similar body'.

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, because of the significance of the matters discussed in the Basis for Qualified Opinion and Basis for Conclusion on

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. Lack of Risk Management Policy**

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

In the circumstances, Management was in breach of the law and was therefore not in a position to identify risks and develop mitigating strategies.

### **2. Lack of Approved Information Technology Security Policy**

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

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

### **3. Lack of Insurance Cover for Property and Other Assets**

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

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

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 controls, risk management and overall Governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to the 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, and ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**12 October, 2023**

**S.A KOLANYA BOYS HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Audit Report and Financial Statements  
For six months period ended 30<sup>th</sup> June 2021**

**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,459,770.00	-
Capitation grants for operations	2	11,152,220.00	-
School Fund Income- Parents' Contributions	3	20,237,144.00	-
School Fund Income- Other receipts	4	736,900.00	-
Proceeds from borrowings		-	-
<b>TOTAL RECEIPTS</b>		<b>33,586,034.00</b>	-
<b>PAYMENTS</b>			
Payments for Tuition	5	2,019,445.00	-
Payments for operations	6	9,448,148.00	-
Boarding and school fund payments	7	22,645,987.00	-
<b>TOTAL PAYMENTS</b>		<b>34,113,580.00</b>	-
<b>SURPLUS/DEFICIT</b>		<b>{527,546.00}</b>	-

The school financial statements were approved on 29/06/ 2023 and signed by:

Sign:   
Name **SHEM ISUBA PPAH**

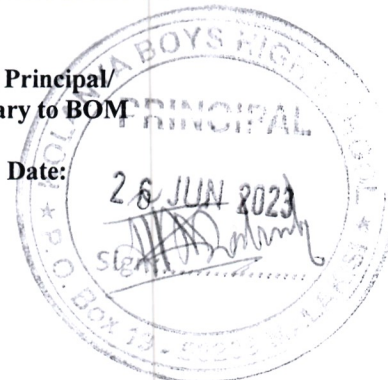
Chair BOM

Date : 29/6/2023

Sign  
Name: **ALBERT K MASILO**

School Principal/  
Secretary to BOM

Date:



Sign:  
29 JUN 2023  
Name: **ISAAC EMORU**  
Bursar/  
Finance Officer

Date:

**S.A KOLANYA BOYS HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Audit Report and Financial Statements  
For six months period ended 30<sup>th</sup> June 2021**

**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT  
30<sup>TH</sup> JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	6,932,885.00	-
Cash Balances	9	-	-
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b><u>6,932,885.00</u></b>	<b>=</b>
Account's receivables	10	3,676,323.00	-
		<b>10,609,208.00</b>	<b>-</b>
<b>TOTAL FINANCIAL ASSETS</b>			
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	11	8,534,428.00	-
<b>NET FINANCIAL ASSETS</b>			
		<b>2,074,780.00</b>	<b>-</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	12	2,602,326.00	-
Surplus/Deficit for the year		{527,546.00}	-
<b>NET FINANCIAL POSSITION</b>			
		<b>2,074,780.00</b>	<b>-</b>

The School's financial statements were approved on 29/06/ 2023 and signed by:

**Name:** SHEM ISUBA PAPA  
*Chairman, BoM*

**Sign:** 

**Date:** 29/6/2023

**Name:** ALBERT K MASILO  
*School Principal/Secretary  
to BoM*

**Sign:**

**Date:**



**Name:** ISAAC EMORU  
*Bursar/Finance*

**Sign:**

**Date:**




**S.A KOLANYA BOYS HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Audit Report and Financial Statements  
For six months period ended 30<sup>th</sup> June 2021**

**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

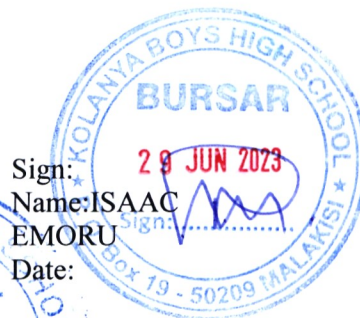
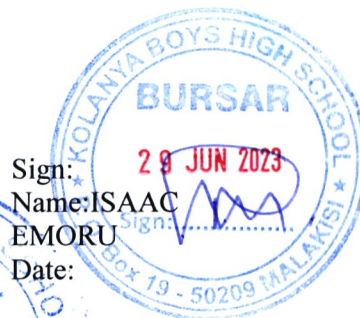
		2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,459,770.00	-
Capitation grants for operations	2	11,152,220.00	-
School fund income- Parents contributions/ fees	3	20,237,144.00	-
School fund income- other receipts	4	736,900.00	-
<b>Total receipts</b>		<b>33,586,034.00</b>	-
<b>Payments</b>			
Payments for Tuition		2,019,445.00	-
Payments for operations		9,448,148.00	-
Boarding and school fund payments		22,645,987.00	-
<b>Total payments</b>		<b>34,113,580.00</b>	-
<b>Net cash flow from operating activities</b>		<b>{527,546.00}</b>	-
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>		<b>{527,546}</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		-	-
<b>Cash and cash equivalent at BEGINNING of the year</b>		-	-
<b>Cash and cash equivalent at END of the year</b>		<b>6,932,885.00</b>	-

The School financial statements were approved on 29/06/2023 and signed by:

Sign: 

Name: SHEM ISUBA PAPA  
Chair BOM  
Date: 29/6/2023

Sign:   
Name: ALBERT K MASILO  
Date: 26 JUN 2023  


Sign:   
Name: ISAAC EMORU  
Date: 29 JUN 2023  


**3.A KULANYA BOYS HIGH SCHOOL**  
**PUBLIC SECONDARY SCHOOLS**  
**Audit Reports and Financial Statements**  
**For six months period ended 30<sup>th</sup> June 2021**

**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Teaching / learning materials	1,459,770.00	-	1,459,770.00	2,019,445.00	{560,000.00}	138.3%
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	1,271,964.00	-	1,271,964.00	2,152,630.00	880,666.00	169.2%
Maintenance & improvement	2,204,000.00	-	2,204,000.00	2,484,200.00	280,200.00	112.7%
Local transport / travelling	112,200.00	-	112,200.00	264,275.00	152,075.00	235.5%
Electricity and water	333,851.00	-	333,851.00	1,104,951.86	771,100.86	331.0%
M.I InfraStructure /transfers	2,242,000.00	-	2,242,000.00	1,256,265.00	{985,735.00}	56.0%
Administration costs	112,200.00	-	112,200.00	1,452,043.14	1,339,843.14	1294.2%
Other voteheads	2,876,005.00	-	2,876,005.00	-	{2,876,005.00}	0.0%
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	1,573,427.00	-	1,573,427.00	4,158,769.00	{2,585,342.00}	264.3%
M.I	716,999.00	-	716,999.00	440,790.00	276,209.00	-
Local transport / travelling	602,561.00	-	602,561.00	497,784.00	104,777.00	82.6%
Electricity and water	1,880,089.00	-	1,880,089.00	1,635,923.00	244,166.00	87.0%
Medical	-	-	-	-	-	-
Administration costs	871,052.00	-	871,052.00	1,387,991.00	{516,939.00}	159.3%
Activity	1,900.00	-	1,900.00	10,760.00	{8,860.00}	566.3%

**S.A KOLANYA BOYS HIGH SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Audit Report and Financial Statements**  
**For six months period ended 30<sup>th</sup> June 2021**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a Kshs	b Kshs	c=a+b	d	e=c-d Kshs	f=d/c % Kshs
Fee on Boarding Equipment and Stores	41,259,022.50	-	41,259,022.50	11,343,397.00	29,915,625.00	27.5%
<b>(1) EXPENDITURE FOR TUIITION</b>						
Teaching / learning materials	5,434,128.00	-	5,434,128.00	1,459,770.00	3,974,358.00	26.9%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	4,936,302.00	-	4,936,302.00	1,271,964.00	3,664,338.00	25.8%
Repairs, maintenance & improvements	5,670,000.00	-	5,670,000.00	2,204,000.00	3,466,000.00	38.9%
Local transport / travelling	1,020,600.00	-	1,020,600.00	112,200.00	908,400.00	10.99%
Electricity, water and conservancy	2,041,200.00	-	2,041,200.00	333,851.00	1,707,349.00	16.35%
Activity	1,701,000.00	-	1,701,000.00	-	1,701,000.00	0
Administration costs	1,020,600.00	-	1,020,600.00	112,200.00	908,400.00	10.99%
Medical and insurance	2,268,000.00	-	2,268,000.00	-	2,268,000.00	0
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	5,896,800.00	--	5,896,800.00	1,573,427.00	4,323,373.00	26.68%
Repairs, maintenance and improvements	2,948,400.00	-	2,948,400.00	716,999.00	2,231,401.00	24.3%
Local transport / travelling	2,432,430.00	-	2,432,430.00	602,561.00	1,829,869	24.7%
Electricity, water and conservancy	7,223,580.00	-	7,223,580.00	1,880,089.00	6,043,491.00	26.03%
Administration costs	3,464,370.00	-	3,464,370.00	871,052.00	2,593,318.00	25.14%

**2. A DULANIYA BOIS HIGH SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Audit Report and Financial Statements**  
**For six months period ended 30<sup>th</sup> June 2021**

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Activity	283,500.00	-	283,500.00	1,900.00	281,600.00	0.67%
Boarding Equipment and Stores	37,422,000.00	-	37,422,000.00	12,441,531.36	24,980,468.64	33.25%

## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school* and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

**7. Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

**8. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Teaching / learning materials	1,459,770.00	-
<b>Total</b>	<b>1,459,770.00</b>	<b>-</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,271,964.00	0
Maintenance and improvement	2,204,000.00	0
M.I transfer	2,242,000.00	0
Local transport / travelling	112,200.00	0
Electricity and water	333,851.10	0
Administration costs	112,200.00	0
Others	2,876,005.00	0
<b>Total</b>	<b>11,152,220.10</b>	<b>0</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,573,427.00	-
Fees on boarding equipment And stores	12,441,531.36	-
Maintenance and improvement	716,999.00	-
Local transport / travelling	602,561.00	-
Electricity and water	1,880,089.00	-
Administration costs	871,052.00	-
Activity	1,900.00	-
<b>Total</b>	<b>20,237,144.36</b>	<b>-</b>

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**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
Income from farming activities	112,540.00	0
Gratuity account	300,000.00	0
Tender fees	1,000.00	0
Misceleneous income	313,860.00	0
KCSE{Repeaters}	9,500.0	
<b>Total</b>	<b>736,900.00</b>	<b>0</b>

(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
Teaching / learning materials	2,019,445	0
<b>Total</b>	<b>2,019,445.00</b>	<b>0</b>

**6 PAYMENTS FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	2,152,630.40	0
Service Gratuity	300,000	0
Administration Cost	1,452,043.14	0
maintenance & improvements	2,484,200.00	0
Local transport / travelling	264,275.00	0
M.I Transfer	1,256,265.00	0
Electricity and water	1,104,951.86	0
Insurance and medical	433,783.00	0
<b>TOTAL</b>	<b>9,448,148.40</b>	<b>0</b>

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**7 BOARDING AND SCHOOL FUND PAYMENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	4,158,769.00	0
Service Gratuity	863,163.00	0
Repairs and maintenance & Improvements	440,790.00	0
Local transport / travelling	497,784.00	0
Electricity and water	1,635,923.00	0
Administration costs	1,387,991.00	0
Transfers collection account	2,129,500.00	0
Fee on Boarding Equipment and Stores	11,343,397.00	0
Activity Expenses	10,760.00	0
Farm account	177,910.00	0
<b>TOTAL</b>	<b>22,645,987.00</b>	<b>0</b>

**8 BANK ACCOUNTS**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Bank Account Number</b>	<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Tuition Account		435,189.00	0
Operations Account		4,840,405.75	0
School Fund Account/Boarding		1,657,290.02	0
<b>Total</b>		<b>6,932,884.77</b>	<b>0</b>

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**10 ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	3,676,323.00	9,280,994.00
<b>Total</b>	<b>3,676,323.00</b>	<b>9,280,994.00</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	3,676,323.00	-
Fees arrears for the previous year	11,112,531.50	11,112,531.50
Fees arrears for prior periods (over two years)	26,398,884.02	-
<b>Total</b>	<b>41,187,738.52</b>	<b>11,112,531.50</b>

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**11 ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	8,534,428.00	6,678,668.36
<b>Total</b>	<b>8,534,428.00</b>	<b>6,678,668.36</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	8,534,428.00	0
Trade creditors for the previous year	2,531,862.00	0
Trade creditors for prior periods (over two years)	3,946,147.00	0
<b>Total</b>	<b>15,012,437.00</b>	<b>6,066,085.00</b>

**12 FUND BALANCE BROUGHT FORWARD**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	-	xxx
Cash balances	-	xxx
Short Term Investments	-	xxx
Receivables	9,280,994.00	9,280,994.00
Payables	{6,678,668.36}	{6,678,668.36}
<b>Total</b>	<b>2,602,325.64</b>	<b>2,602,325.64</b>

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**Other important disclosure notes**

**13 Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		521,000.00	-
Goats		55,000.00	-
Trees		899,000.00	-
<b>Total</b>		<b>1,475,000.00</b>	<b>-</b>

**14 Stock/ Inventory**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Stock/ inventory at beginning of the year	2,001,492.00	-
Stock/ inventory purchased during the year	17,255,767.00	-
Stock/ inventory issued during the year	16,759,921.00	-
<b>Balance at end of the year</b>	<b>2,497,338.00</b>	<b>-</b>

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**15 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

THIS IS FIRST TIME AUDIT.

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

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 2021 d=a-c Kshs	Outstanding Balance 2022-1 Kshs	Comments
<b>Goods and services</b>						
1. JACKMOTT ENTERPRISES					89,400.00	
2. MEGA BOOKSHOP					554,790.00	
3. PEAK LAB LTD					1,203,400.00	
4. KOLANYA GIRLS SECONDARY SCHOOL					32,450.00	
5. NEUE TIMES ENTERPRISES					30,000.00	
6. ESCARIFT ENTERPRISES					174,400.00	
7. STADIUM BOOKSHOP					51,020.00	
8. WHITEHORSE HYGIENE SERVICES					835,200.00	
9. NETWORK SYSTEMS					225,800.00	
10. NEW EBENEZA ELECTRICALS					37,070.00	
11. JARRICOM VENTURES					51,500.00	
12. NAKURU PRESS SHOP					295,610.00	
13. WESTON COMMODITIES					8,000.00	
14. DALIWA CONTRACTORS					658,600.00	
15. BRITAM INSURANCE					107,066.00	
16. STEP OFFICE SUPPLIES					67,000.00	
17. THE COPY CAT					233,500.00	
18. ELIMU HOLDINGS					7,500.00	
19. KIMA STEEL & CONCRETE ENG.LTD					20,000.00	
20. SANTOS SECURITY LTD					40,000.00	
21. SUNSHINE AUTOMOBILES					129,920.00	
22. CIC INSURANCE					201327.00	
23. KAPARO ENTERPRISES					28,000.00	
24. BUNGOMA CHEMIST					25,390.00	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2022-1	Comments
25. NEW ADATIA WHOLESALERS					682,110.00	
26. GILTECH FABRICATORS					320,000.00	
27. MOSES ILUKU					85,500.00	
28. ELIJAH OBWANA					80,000.00	
29. HILDA SALOME					37,500.00	
30. JOAN OSIEL					135,000.00	
31. ISAAC OKODI					66,000.00	
32. WILLIAM OBED					60,000.00	
33. HILDAGATAH MUTOLA					75,000.00	
34. HELLEN ALUOCH					30,000.00	
35. JOSEPH MASENGELI					195,000.00	
36. DISMAS EKIRAPA					30,000.00	
37. ABIGAELE MATEVA					320,000.00	
38. MWIRERI MBAO STORES					86,210.00	
39. FREMWA ENTERPRISES					140,000.00	
40. OKAPESI DAVID					21,000.00	
41. JACOB EDAAT					65,000.00	
42. SELESTINE BARASA					30,000.00	
43. SUPA FESTIVE					119,625.00	
44. TIMROSS K TRADERS					27,500.00	
45. BASHIR HUSSEIN RAMADHAN					545,000.00	
46. DESTINY INSPIRATION					69,500.00	
47. ADIPO ANZILA					97,500.00	
48. DANIEL OPUTO PARASI					102,300.00	
49. DAN OTWANE					153,300.00	
50. ISAIAH OTORI					47,000.00	
51. RONALD ORODI					117,000.00	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2022-1	Comments
52. NICODEMUS OSUKUKU PAPA					18,000.00	
53. OMUSE SYLVIA JOY					102,000.00	
54. PAUL OLUNGA					120,000.00	
55. G.M WANYONYI SERVICES					37,200.00	
56. ESNAS OKUMU					67,000.00	
57. UNITEX LABORATORY SERVICES					51,440.00	
<b>Grand Total</b>					<b>8,534,428.00</b>	

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
Land 1			7,200,000.00			7,200,000.00
Land 2						
Buildings and structures			81,500,000.00			
Motor vehicles-KAN 441U	17-01-2003	KOLANYA	1,275,000.00	NIL	0	1,275,000.00
-KCV 194Y	14-08-2009	BOYS	2,400,000.00	NIL	0	2,400,000.00
Office equipment, furniture and fittings			3,600,000.00			3,600,000.00
ICT Equipment, and Other ICT Assets			3,655,000.00			3,655,000.00
Tools and apparatus			2,500,000.00			2,500,000.00
Textbooks		LIBRARY				
Other Machinery and Equipment			1,859,000.00			1,859,000.00
Heritage and cultural assets						
Intangible assets- soft ware			380,000.00			380,000.00
<b>Total</b>						