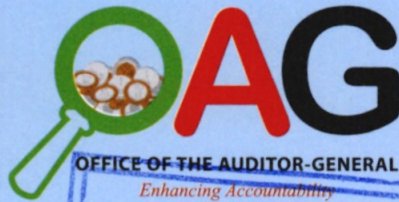


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

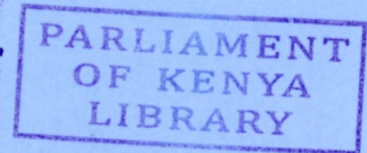
Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 JUN 2026	DAY: Tuesday
TABLED OF:	The Deputy Majority Whip
CLERK-AT THE-TABLE:	Getrude Chebet

THE AUDITOR-GENERAL

ON



LANGA LANGA SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

NAKURU COUNTY

Revised 30th June 2022



LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE FINANCIAL YEAR ENDED
30th June 2022

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

LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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I. KEY SCHOOL INFORMATION AND MANAGEMENT

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

(a) Background information

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

The school was registered in 30/1/2018 under registration number 32S30000162 and is currently categorized as SUB COUNTY (National, Extra County, county and Sub County) public school established, owned or operated by the Government.

The school is a day/boarding school and had 1571 number of students as at 30th June 2022. It has 6 STREAMS FORMS 1-3 AND 5 STREAMS FOR FORM 4 and 47 teachers of which 2 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	LAWRENCE K. MACHARIA	Chairman	May 2022
2	RUFINA KANINI MUTEGI	Secretary- Principal	
3	MASINDE AGGREY OMENO	Member	May 2022
4	DEPHINE NJERI KAMAU	Member	May 2022
5	STEPHEN KARANJA KABUI	Member – Rep CEB	May 2022
6	MR. STEPHEN NDONGA	Member Rep Teachers	May 2022
7	PROF. ABDI GULIYE JACKLINE MORIASI CYPRIAN MUGAMBI	3 Members - Sponsor	May 2022
8	EMMILY RIMANTO LESHAO DR. GRACE NDEKE HARRISON OGUTU	Member - Community	May 2022
9	LILY NYANCHAMA	Member Special Needs	May 2022
10	CLARRIETE IGATO	Rep Students	May 2022

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Lawrence K. Macharia 2. Rufina Mutegi 3. John Thuo Gitonga 4. Jackline Moriasi 5. Cyprian Mugambi	Chairman Secretary P.A. Rep. Vice Chair Member	3 OUT OF 3
2	Audit Committee	1. Lawrence K. Macharia 2. Rufina Mutegi 3. John Thuo Gitonga 4. Jackline Moriasi	Chairman Secretary P.A. Rep. Vice Chair	4 out of 4
3	Finance, procurement and general purposes Committee	<u>Procurement members</u> Eunice Njoroge 1. Mr. P. Waititu 2. Madam J. Kagiri - 3. Mr. S. Ndonga 4. Mr. Moffat Omutsa 5. Mrs. M. Kamunya <u>Finance committee</u>	Chairlady Vice chair- bursar Secretary Member Member Member	

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4	Academic Committee	1. Dr. Harrison Ogutu 2. Md. Rufina Mutegi 3. Mr. Stephen Ndonga 4. Mr. Aggrey Masinde 5. Md. Jackline Moriasi 6. Dr. Grace Ndeke 7. Prof. Abdi. Galiye 8. Md. Emily Leshao 9. Md. Lucy Karitu	Chairperson Secretary Teacher Rep. Member Member Member Member Member Member	
5	Development Committee	1. Rev. Godfrey Mwamunga 2. Mr. Stephen Ndonga 3. Mr. John Thuo 4. Md. Rufina Mutegi 5. Md. Jackline Moriasi 6. Mr. Lawrence Karanja 7. CDF rep 8. Sub County Director	Chairperson Secretary P.A. Chair Principal/BOM secretary Vice chair	
6	Discipline and welfare Committee	1. Mr. Stephen Karanja 2. Md. Rufina Mutegi 3. Mr. Stephen Ndonga 4. Pastor Joseph Njenga 5. Md. Delphine Kamau 6. Mr. Cyprian Mugambi 7. Md. Lily Nyanchama 7. Clarriete Igato	Chairperson Secretary B.O.M Member Teacher Rep. Member Member School captain	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	RUFINA KANINI MUTEGI	364112
2	Deputy Principal	EUNICE WANJIKU NJOROGE	312841
3	School Bursar	PATRICK WAITITU	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 3253-20100
Telephone: 0707672883
E-mail: langalangasecondary@yahoo.com
Website: none
Facebook:
Twitter:

(f) School Bankers

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

1. Name of Bank: ABSA BANK
Branch: NAKURU EAST
Account Number: 1117132.1136692.3565438.3638434
2. Name of Bank: FAMILY BANK
Branch: KENYATTA AVE
Account Number: 018000017935.SIC ACC 018000077445.CDF ACC
3. Name of Bank: CO-OP BANK
Branch: NAKURU
Account: 01139506062400

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

(g) Independent Auditors

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

LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

Under this section, the following information should be given:

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

FINANCES PERFORMANCE

	2022	2021	2020	2019
Tuition Account	4,559,264.35	652,934.25	172,185.53	752,934.72
Operation Account	23,890,753.10	(239,965.00)	(933,826.20)	(2,190,361.80)
School fund Account	37,201,420.85	2,637,849.55	3,323,060.75	(7,562.00)

CAPITATION GRANTS

	2022	2021	2020	2019
Tuition Account	4,559,264.35	1,643,458.25	2,085,050.00	3,485,994.72
Operation Account	23,890,753.10	5,574,106.20	8,121,825.00	10,155,740.20

RATION OF CAPITATION GRANTS

2022	2021	2020	2019
22,244.00	22,244.00	22,244.00	22,244.00

GROWTH OF EXPENDITURE

Year	Tuition	Operation	School fund
2022	4,559,264.35	23,890,753.10	37,201,420.85
2021	990,524.00	5,814,036.20	8,381,466.45
2020	1,914,092.47	9,055,651.20	9,062,247.55
2019	2,733,060.00	12,346,102.00	18,852,974.00

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GROWTH INCOME

Year	Tuition	Operation	School fund
2022	4,559,264.35	20,890,753.35	37,201,420.10
2021	1,643,458.25	5,574,106.20	11,019,316.00
2020	2,086,278.00	8,121,825.00	12,385,308.30
2019	3,485,994.72	10,155,740.20	18,852,974.00

MOVEMENT OF DEBTORS

	2022	2021	2021	2020	2019
Tuition	--	--	--	--	--
Operation	--	--	--	--	--
School fund	3,350,269.00	-	616,615.00	388,923.00	680,009.00

MOVEMENT OF CREDITORS

	2022	2021	2020	2019	2018
Tuition	1,193,533.00	502,000.00	1,363,223.00	120,000.00	270,000.00
Operation	49,600.00	99,912.00	438,924.00	1,989,945.00	237,710.00
School fund account	864,250.00	855,830.00	426,620.00	2,180,281.00	928,144.00
Infrastructure			-----	-----	-----

MOVEMENT OF CASH AND BANK

	2022	2021	2020	2019	2018
Tuition A/C	---	---	---	---	---
Cash	-100324.8	16459.85	(13,791.40)	(44,833.95)	33,106.65
Bank					
Operation A/C	---	---	---	---	---
Cash	461,366.48	(418,369.62)	(41,355.82)	(494,362.00)	(212,294.82)
Bank					
School fund A/C	---	4840.80	9,168.00	1,161.00	7,487.00
Cash	412,417.10	(105303.50)	(298,418.05)	(556,601.50)	(655,311.50)
bank					

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(b) Teacher Student ratio:

*Include the teacher to student ratio: students are 1571 and teachers 47 ratio is 1:33 ,
 number of teachers recruited and posted to the school within the year are seven*

No.	Name of teacher	T.S.C. NO
1.	MR. NGURE	
2.		
3.		
4.		
5.		
6.		
7.		

Number of teachers that were transferred is one

No.	Name of teacher	T.S.C. NO
1	Agnes debu	335965
2		

Retired during the period NONE also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

Subject	No. of teachers	Shortfall
Biology	6	2
Chemistry	8	2
Agriculture	3	1
Physics	7	1
Eng./lit	9	1
CRE	8	1
History	5	1
Computer	0	1
TOTAL		

b) Mean score in the 2021 KCSE:

Give performance of the school for each over the last three years.

Year	No of candidates	Mean score	C+ and above	University Entry %
2021	295	6.830	162	57
2020	275	7.480	194	70
2019	222	7.549	160	72

Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

c) Number of Candidates in the 2021,2019,2021 KCSE:

YEAR	NO OF STUDENTS
2019	222
2020	275
2021	295

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

d) Capacity of the school:

Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

(i) No of students = 1571

(ii) Laboratory: 2 Shortage 4

(iii) Toilets

Boys: 30 Girls 20 Shortage 30;20

(iv) Water – tap water not sufficient

(v) Electricity –not sufficient

LANGALANGA SECONDARY SCHOOL
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Development projects carried out by the school:

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

*Ongoing project -twin classrooms/twin labs – RMI funded by the Ministry of Education.
CBC Classrooms*

Rufina K. Mutegi

Sign.....

School Principal

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

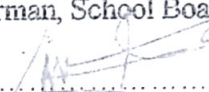
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 (LANGALANGA SECONDARY SCHOOL) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

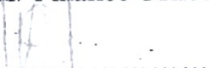
Name: LAWRENCE KARANJA MACHARIA
Designation: Chairman, School Board of Management

Sign: 
Date: 29/08/2022

Name: RUFINA MUTEGI
Designation: School Principal/ Secretary to Board of Management

Sign: 
Date: 29/08/2022

Name: PATRICK WAITITU
Designation: Bursar/ Finance Officer

Sign: 
Date: 29/08/2022

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LANGA LANGA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – 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 schools are applied for 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Langa Langa Secondary School set out on pages 13 to 33, which comprise of the statement of financial assets and

financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Langa Langa Secondary School as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracy of Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Negative Kshs.686,793 as disclosed in Note 8 and 9 to the financial statements. However, the following discrepancies were noted; -

1.1 Operations Account

Note 8 reflects Kshs.461,366 in respect of operations bank balance. However, the cashbook reflects Negative Kshs.829,518 resulting to an unexplained variance of Kshs.1,290,884.

1.2 Tuition Account

Note 8 reflects a balance of Negative Kshs.100,325 in respect of tuition account. However, the cashbook reflects Kshs.73,715 resulting to an unexplained and unreconciled variance of Kshs.174,040. Further the bank balance as per bank reconciliation statement reflect Kshs.92,538. However, the bank confirmation certificate reflects Kshs.48,631 resulting in an unexplained and unreconciled variance of Kshs.43,907.

1.3 School Fund Account

Note 8 and 9 reflects Kshs.412,417 and negative Kshs.2,570 in respect of school fund bank and cash balances. However, the cashbook reflects Kshs.2,515,022 and a Nil balance resulting in an unexplained and unreconciled variance of Kshs.2,102,605 and Kshs.2,570, respectively. Further the bank balance as per bank reconciliation statement reflect Kshs.394,417. However, the bank confirmation certificate reflects Kshs.409,147 resulting in an unexplained variance of Kshs.14,730.

1.4 Infrastructure Account

Note 8 reflects a Nil balance in respect of infrastructure account. However, no cashbook was provided for audit review despite the account being active as evidenced by the bank statements provided for the year under review. Further the bank reconciliation statements were also not provided for audit review.

1.5 Savings Account

Note 8 reflects negative Kshs.642,900 and Kshs.30,455 in respect to two (2) savings accounts. However, no cashbook was provided for audit review despite the accounts being active as evidenced by the bank statements provided for the year under review. Further the bank reconciliation statements were also not provided for audit review.

1.6 Co-operative account

Note 8 reflects Negative Kshs.845,237 in respect of co-operative account. However, no cashbook was provided for audit review despite the account being active as evidenced by the bank statements provided for the year under review. Further the bank reconciliation statements were also not provided for audit review.

In the circumstances the accuracy and completeness of cash and cash equivalent balance of negative Kshs.686,793 could not be confirmed.

2.0 Inaccuracies in the Financial Statements

2.1 Inaccuracy in the Statement of Budgeted Versus Actual amounts

Review of the statement of budgeted versus actual amounts revealed the following anomalies;

- i. Casting across figures between final budget and actual on comparable basis revealed misstatements as shown below.

Item	Budget Utilization difference Amount (Kshs.)	Casted Amount (Kshs.)	Variance Amount (Kshs.)
Receipts			
Capitation grant on Tuition			
Reference/library	0	(86,051)	(86,051)
Capitation grant on Operations			
Subtotal Receipt	19,755,832	291,982	(19,463,850)
Expenditure			
Payment for operations			
Subtotal	0	13,801,483	13,801,483

- ii. The statement reflects a total Nil balance for capitation grant on tuition actual on comparable basis. However, recalculation of the reported sub-items reflects Kshs.4,123,522, resulting in an unexplained variance of a similar amount.
- iii. Variances between items under actual and comparable basis and the statement of receipts and payments were noted as shown below:

	Statement of Receipts and Payments	Statement of Budgeted Versus Actual Amounts	Variance
Capitation grants on Tuitions	4,559,264	0	4,559,264
Capitation grants on Operations	23,890,753	21,244,168	2,646,585
Payments for Tuition	5,869,582	5,178,482	691,100
Payments for Operations	23,333,817	15,026,317	8,307,500
Payments for School Fund	38,192,522	38,099,282	93,240
Other Receipts	43,700	0	43,700

- iv. The Statement of Budgeted Versus Actual Amounts for the year ended 30 June 2022 erroneously reported Nil balances for total incomes under original budget, adjustments, final budget, actual on comparable basis and budget utilization difference

In the circumstances, the accuracy and completeness of the statement of budgeted versus actual amounts could not be confirmed.

2.2 Inaccuracies in the Statement of Receipts and Payments

i. Variances with the Ledger Amounts

A comparison of the statement of receipts and payments amounts with the ledger revealed the following inaccuracies;

	Note	Ledger Balance (Kshs.)	Financial Statement Amounts (Kshs.)	Variance (Kshs.)
Capitation Grant for Tuition	1	4,110,629	4,559,264	(448,635)
Capitation Grant for Operations	2	18,114,416	23,890,753	(5,776,337)
School Fund Payments	7	29,198,471	38,192,522	(8,994,051)

Further, the statements reflects Kshs.43,700 in respect to other receipts. However, the corresponding Note 4 to the financial statements reflects Kshs.943,700, resulting in an unexplained of Kshs.900,000.

ii. Incorrect Comparative Year Balances

The statement of receipts and payments reflects incorrect transfer of prior year balances resulting in an unexplained total variance of Kshs.1,792,385 as shown below;

Statement of receipts and payments	Comparative Amounts in Current Year (Kshs.)	Prior Year Amounts (Kshs.)	Variance (Kshs.)
Receipts			
Capitation grants for operations	15,046,571	10,310,321	4,736,250
Infrastructure	0	4,736,250	(4,736,250)
Payments			0
Payment for operations	14,373,334	10,249,091	4,124,243
School fund payments	9,224,657	7,432,272	1,792,385
Payments for infrastructure	0	4,124,243	(4,124,243)

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

2.3 Inaccuracy in Accounts Payable

The statement of financial assets and financial liabilities and as disclosed in Note 12 reflects Kshs.2,178,915 in respect to accounts payable. Included in this amount is prepaid fees of Kshs.728,993, however the ledger reflects Kshs.1,198,860 resulting to an unexplained and unreconciled variance of Kshs.469,867.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.2,178,915 could not be confirmed.

2.4 Inaccuracy in Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.2,474,286 as disclosed in Note 11 to the financial statements. However, the ledger reflects Kshs.1,625,213 resulting in an unexplained and unreconciled variance of Kshs.849,073.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.2,474,286 could not be confirmed.

2.5 Inaccuracy in the Fund Balance

The statement of financial assets and financial liabilities and as disclosed in Note 13 to the financial statements reflects fund balance brought forward as at 1 July, 2022 of Kshs.409,360. However, the previous year net financial position reflects Kshs.3,387,440 resulting to an unexplained variance of Kshs.2,978,080.

In the circumstances, the accuracy and completeness of fund balance brought forward of Kshs.409,360 could not be confirmed.

2.6 Inaccuracy in the Statement of Cash Flow

The statement of cashflow reflects cash and cash equivalent at beginning of the year of Kshs.409,360. However, the prior year closing balance was Kshs.1,171,611 resulting in an unexplained of Kshs.762,251.

In the circumstances, the accuracy and completeness of the statement of cash flow could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments reflects Kshs.5,869,582 and Kshs.38,192,522 in respect of payments for tuition and boarding and school fund as disclosed in Note 5 and 7 to the financial statements respectively. However, review of payment vouchers revealed that the payments were made without supporting documentation, including requisitions, local purchase orders, invoices, delivery notes, inspection reports, and goods received notes.

In the circumstances, the accuracy and completeness of payments for tuition and boarding and school fund of Kshs.5,8969,582 and Kshs.38,192,522 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Langa Langa 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages 2 to 11 which comprise of Key School Information and Management, Summary Report of Performance of the School, and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

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. Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting 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. Included in the table of contents and on page 6 the financial statements is "Consolidated Trial Balance for the Year Ended 30 June 2022"; however, the approved financial reporting template for the year 2022 did not provide for this item;
- ii. The Summary Report of Performance of the School, includes subsection (b) on the teacher–student ratio, which indicates that seven teachers were recruited and posted to the School during the year. However, the appended table does not disclose the number of teachers employed by TSC and Number employed by BOM.;
- iii. The Summary Report of Performance of the School sub-section are incorrectly referenced. The mean score in the 2021 KCSE and below is labelled as subsection (b) instead of (c); the number of candidates in the 2019–2021 KCSE as subsection (c) instead of (d); and the School's capacity as subsection (d) instead of (e). Additionally, the "development projects carried out by the School" has no subtitle reference, resulting in inconsistencies with the reporting template;
- iv. The statement of cash flow for the period ended 30 June, 2022 reflects accrual to cash adjustment of Kshs.295,371. The adjustment contradicts paragraph 4.3.3 of

the Guideline on the Implementation of International Public Sector Accounting Standards (IPSAS) for Public Secondary Schools in Kenya, dated August 20, 2021 which recommends the use of direct method of cashflow.

- v. The stock/inventory and their values were omitted from the Other Important Disclosures to the financial statements.

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

2. Omissions in the Summary of Fixed Assets Register in the Financial Statements

Annex 2 to the financial statements presents a summary of the fixed asset register; however, required columns relating to date of purchase, additions during the year, and disposals during the year were not included, contrary to the financial reporting template prescribed by PSASB.

In the circumstances, Management was in breach of law.

3. Irregularities in Procurement Processes

3.1 Unstructured Procurement Processes

The statement of receipts and payments reflects total payments amounting to Kshs.67,395,921 during the year under review. However, Management did not provide for audit verification the requisite procurement documents, including the tender register; tender opening committee appointment letters and minutes; tender evaluation committee appointment letters and minutes; preliminary tender evaluation checklists; individual technical and financial evaluation score sheets; acceptance letters of award by the successful bidders; signed contracts or local purchase orders; and professional opinions, thereby limiting the ability to verify compliance with procurement procedures.

In the circumstances, Management was in breach of the law

3.2 Lack of a Functional Procurement Unit

The School did not have a formal procurement function managed by a qualified procurement professional, as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015, and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Instead, procurement activities were carried out by individuals without the necessary qualifications, thereby exposing the School to the risk of applying inappropriate procurement methods.

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

4. Inefficiencies in Human Resource Management

The statement of receipts and payments reflects payments for operations amount of Kshs.23,333,817 as disclosed in Note 6 to the financial statements. Included in the amount is Kshs.4,604,381 in respect of personnel emoluments paid to the School's Board

of Management teachers and non-teaching staff. However, review of employee records indicated that eight (8) of the employees contracted by the Board of Management did not have a valid contract in their employee files contrary to Section B.10 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that an officer appointed to a position in the public service shall be issued with a letter of appointment specifying the terms and conditions of service. Further, Management did not provide for audit the approved staff establishment and terms and conditions of service to confirm the recruitment needs. This was contrary to section 13 of the Fourth Schedule of the Basic Education Act, 2013, which requires the Board of Management to employ its staff, upon such terms and conditions of service as the County Education Board may determine.

In the circumstances, Management was in breach of the law and the regularity of the Board of Management employee's recruitment could not be confirmed.

5. 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.38,192,521 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.2,311,800 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.2,311,800 could not be confirmed.

6. Lack of an Approved Procurement Plan

The statement of receipts and payments reflects total payments of Kshs.67,395,921. However, Management did not provide an approved procurement plan that outlines the procurement procedures for the school such as; -

- a) A schedule of the planned delivery, implementation or completion dates for all goods, works, or services;
- b) The sources of funds;
- c) A master procurement schedule, showing the target dates for procurement related activities and the actual progress;
- d) An allocation reserved to youth, women and people living with disabilities.
- e) The procurement method to be used.

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

7. Ineffective Governance by the Board of Management

During the year under review, the Board of Management held only two meetings in the financial year. This is contrary to Section 6 (1) of the Fourth Schedule of the Basic

Education Act, 2013 which requires that a Board of Management shall meet at least once every four months.

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

8. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.4,559,264 and Kshs.23,890,753 respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand six hundred and thirty-eight (1638) students while the enrolment records provided by the School indicated a total number of one thousand seven hundred and fifty (1750) students resulting in an unexplained variance of 112 students. As a result of the variance, the School was underfunded by Kshs.1,945,300 (total capitation received/NEMIS enrolment X 112 students) in capitation grants.

In the circumstances, the underfunding of the School may have affected service delivery to the public

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School did not constitute an internal audit unit and an audit committee as required by section 73 (1) (a), and 5 of the Public Finance Management Act 2012 which state that “every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board” and that “every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations”.

In the circumstances, the existence of an effective oversight mechanism could not be confirmed.

2. Lack of Risk Management Policy

The School does not have a formally documented and approved Risk Management Policy, hence structured framework in place to identify, assess, monitor, and mitigate risks across operational, financial, strategic, and compliance areas.

In the circumstances, the School is exposed to heightened operational, financial, and compliance risks due to the absence of a structured framework for identifying, assessing, and managing risks.

3. Weaknesses in Information Technology Internal Controls

Review of Information Communication Technology (ICT) environment revealed that the School did not have in place the following controls in regards to Information Technology (IT):

- a) Documented policies which cover physical access to IT environments; this could result in loss of information due to damage or theft;
- b) Disaster management and recovery policies including fire suppression systems;
- c) An IT steering committee and IT strategic committee, this may result in inadequacy in IT governance, which forms a critical part of the entity's governance structure;
- d) Lack of a duly signed contract between the Accounting System vendor and the school;
- e) Business continuity plan and the IT continuity plan including an off-site back up plan.

In the circumstances, the School is exposed to significant risks including loss or compromise of data, disruption of critical operations and inability to promptly recover from disasters or system failures, which may adversely affect service delivery and financial reporting.

4. Weaknesses in Management of Assets

Included in the summary of fixed assets register, is land measuring 6.0 hectares reported to be owned by the School. However, a review of Certificate of Lease Title No. NAKURU/MUNICIPALITY BLOCK 2/488 dated 1 April, 1985 revealed that the land is registered in the name of Afraha Education Development Limited. Further, physical verification carried out in March, 2026 confirmed that the land currently hosts two institutions, namely Afraha High School and Langa Langa Secondary School. None of the two Schools has a document of ownership of the land.

In addition, review of the School records revealed that a notification of sale of the land was served on 8 July, 2024, in exercising statutory power of sale arising from default on an outstanding loan of Kshs.11,685,995 advanced to Afraha Education Development Limited on 8 August, 1989, by Kenya Commercial Bank with the land used as collateral.

In a Court of Appeal decision in Nakuru HCCC No. 260 of 2004, between the Attorney General and Kenya Commercial Bank and three others, the court held that the Attorney General had no locus standi to institute or be heard in the matter and set aside the temporary injunction earlier issued, thereby paving the way for the lender to exercise its statutory power of sale over the property. As a result, Langa Langa Secondary School had not obtained title documents evidencing ownership of the land in the name of the School.

In the circumstances, the School does not have legal title to land on which it operates and the continuance of the School in future could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Schools ability 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 is responsible for overseeing the Schools financial reporting process, reviewing the effectiveness of how the 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 May, 2026

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	4,559,264.35	1,643,458.25
Capitation grants for operations	2	23,890,753.10	15,046,571.20
School Fund Income- Parents' Contributions	3	37,201,420.85	8,521,168.00
School Fund Income- Other receipts	4	43,700.00	-
Proceeds from borrowings			
TOTAL RECEIPTS		66,595,138.30	25,211,197.45
PAYMENTS			
Payments for Tuition	5	5,869,582.00	1,613,207.00
Payments for operations	6	23,333,817.00	14,373,333.60
School fund payments	7	38,192,521.60	9,224,656.85
		-	
TOTAL PAYMENTS		67,395,920.60	25,211,197.45
		-	
SURPLUS/DEFICIT		(800,782.30)	-

The School's Financial Statements were approved on 2022 and signed by;

SIGNED

DATE:
29/08/2022

.....
BOM CHAIRMAN
LAWRENCE K. MACHARIA

SIGNED

DATE:
29/08/2022

.....
PRINCIPAL/B.O.M SECRETARY
RUFINA K. MUTEGI

SIGNED

DATE:
29/08/2022

.....
BURSAR/FINANCE OFFICER
PATRICK WAITITU

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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES
AS AT 30th JUNE 2022

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	(684,223.22)	1,166,770.68
Cash Balances	9	(2,570.00)	4,840.00
Short term Investment	10	-	
Total Cash and Cash Equivalents		(686,793.22)	1,171,610.68
Account's receivables	11	2,474,286.00	4,918,976.00
TOTAL FINANCIAL ASSETS		1,787,492.78	6,090,586.68
FINANCIAL LIABILITIES			
Accounts Payable	12	2,178,914.80	2,703,147.00
NET FINANCIAL SSETS		(391,422.02)	3,387,439.68
REPRESENTED BY			
Fund balance b/fwd 1st July... 2022	13	409,360.28	3,387,439.68
Surplus/Deficit for the year		(800,782.30)	-
		-	
NET FINANCIAL POSITION		(391,422.02)	3,387,439.68

The School's Financial Statements were approve on 2022 and signed by;

SIGNED

..... DATE: 29/08/022
BOM CHAIRMAN
LAWRENCE K. MACHARIA

SIGNED

..... DATE: 29/08/2022
PRINCIPAL/B.O.M SECRETARY
RUFINA K. MUTEGI

SIGNED

..... DATE: 29/08/2022
BURSAR/FINANCE OFFICER
PATRICK WAITITU

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**VII. STATEMENT OF CASH FLOW FOR THE PERIOD ENDED
30TH JUNE 2022**

		2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	4,559,264.35	1,643,458.25
Capitation grants for operations	2	23,890,753.10	15,046,571.20
School fund income- Parents contributions/ fees	3	37,201,420.85	8,521,168.00
School fund income- other receipts	4	943,700.00	-
Total receipts		66,595,138.30	25,211,197.45
Payments			
Payments for Tuition	5	5,869,582.00	1,613,207.00
Payments for operations	6	23,333,817.00	14,373,333.60
Boarding and school fund payments	7	38,192,521.60	9,224,656.85
Total Payments		67,395,920.60	25,211,197.45
cash flow from operating activities		(800,782.30)	-
Decrease/Increase in receivables			632,459.00
Decrease/Increase in payables			2,238,563.00
Accruals to cash adjustment		(295,371.20)	(3,297,642.00)
Net cash flow adjustment		(1,096,153.50)	1,365,764.75
Net cash flows from Operating Activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Financing Activities		-	
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,096,153.50)	1,365,764.75
Cash and cash equivalent at BEGINNING of the year		409,360.28	(194,154)
Cash and cash equivalent at END of the year		(686,793.22)	1,171,610.68

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 as recommended by PSASB

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VIII. CONSOLIDATED TRIAL BALANCE AS AT 30TH JUNE 2022

		DR	CR
Cash and Cash equivalents			
	Bank Balances	(684,223.22)	
	Cash Balances	(2,570.00)	
	Short term investments	-	
	Receivables	2,474,286.00	
Payments			
	Payments for Tuition	5,869,582.00	
	Payments for operations	23,333,817.00	
	Boarding and school fund payments	38,192,521.60	
Receipts	Capitation grants for tuition		4,559,264.35
	Capitation grants for operations		23,890,753.10
	School Fund Income- Parents' Contributions		37,201,420.85
	School Fund Income- Other receipts		943,700.00
	Proceeds from borrowings		
Prior Year Adjustment			
Fund Balance b/f			409,360.28
Payables			2,178,914.80
TOTAL		69,183,413.38	69,183,413.38

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IX. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	550,000.00	-	520,000.00	448,635.75	71,364.25	86.28
Exercise books	1,550,000.00	-	1,550,000.00	1,555,345.86	(5,345.86)	100.3%
Laboratory equipment	2,100,952.00	-	1,150,000.00	1,153,966.29	(3,966.29)	100.3%
Internal exams	700,000.00		700,000.00	702,414.26	(2,414.26)	100.3%
Teaching / learning materials	148,000.00		148,000.00	148,510.44	(510.44)	100.3%
Chalks	28,500.00		28,500.00	28,598.29	(98.29)	100.3%
Assessment and examination				-	-	
Teachers guides				#REF!	#REF!	0.0%
Reference/Library				86,051.00		2.1%
TOTAL RECEIPTS	5,077,452.00		4,096,500.00	#REF!	#REF!	#REF!
CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	6,847,200.00		6,847,200.00	6,019,730.00	827,470.00	68.0%
maintenance and improvement	1,902,000.00		1,902,000.00	-	1,902,000.00	0.0%
Local transport / travelling	1,902,000.00		1,902,000.00	3,896,025.50	(1,994,025.50)	204.8%
Electricity and water	1,280,600.00		1,280,600.00	1,880,680.90	(600,080.90)	146.9%
infrastructure	7,221,750.00		7,221,750.00	7,221,750.00	-	100.0%
Administration costs	1,432,600.00		1,432,600.00	1,491,981.50	(59,381.50)	104.1%
Insurance/Medical	2,036,000.00		250,000.00	230,000.00	20,000.00	92.0%
Activity	1,902,000.00		700,000.00	504,000.00	196,000.00	72.0%
	24,524,150.00		21,536,150.00	21,244,167.90	19,755,832.10	0.0%
(3) FEES CHARGED ON PARENTS					-	0.0%

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lunch	41,000,000.00		41,000,000.00	37,201,420.85	3,798,579.15	0.0%
bursary			-	-	-	#DIV/0!
Local transport / travelling				-	-	#DIV/0!
Electricity and water				-	-	#DIV/0!
Medical				-	-	#DIV/0!
Administration costs				-	-	#DIV/0!
Activity				-	-	#DIV/0!
SMASSE				-	-	#DIV/0!
Fee on Boarding Equipment and Stores				-	-	#DIV/0!
	41,000,000.00		41,000,000.00	37,201,420.85	3,798,579.15	90.7%
OTHER INCOME					-	#DIV/0!
<i>Bursary Funds</i>				-	-	#DIV/0!
<i>Electricity, water, & C</i>					-	#DIV/0!
<i>LT&T</i>					-	#DIV/0!
<i>Repairs and Maintenance</i>					-	#DIV/0!
<i>Personal Emoluments</i>					-	#DIV/0!
<i>Admin Costs</i>					-	#DIV/0!
<i>Activity</i>					-	#DIV/0!
<i>Transfer (Tuition acc)</i>					-	#DIV/0!
<i>Caution Money</i>					-	#DIV/0!
<i>Tender income</i>					-	#DIV/0!
<i>Income from farming activities</i>					-	#DIV/0!
<i>Insurance compensation</i>					-	#DIV/0!
<i>Income from Posho mill</i>					-	#DIV/0!
<i>Income from Bus Hire</i>					-	#DIV/0!
<i>Fee for hire of ground and equipment</i>					-	#DIV/0!
<i>Income from grants and donations*</i>					-	#DIV/0!
<i>Interest income</i>					-	#DIV/0!
<i>Dividends income</i>					-	#DIV/0!

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TOTAL INCOME					-	#DIV/0!
					-	#DIV/0!
(1) EXPENDITURE FOR TUITION					-	#DIV/0!
Textbooks				-	-	#DIV/0!
Exercise books	1,550,000.00		1,550,000.00	1,125,950.00	424,050.00	72.6%
Laboratory equipment				2,048,240.00	(2,048,240.00)	#DIV/0!
Internal exams	700,000.00		700,000.00	137,800.00	562,200.00	19.7%
Teaching / learning materials	148,000.00		148,000.00	1,778,642.00	(1,630,642.00)	1201.8%
Chalks	28,500.00		28,500.00	24,500.00	4,000.00	36.0%
Teachers guides				-	-	0.0%
Library and reference	121,300.00		121,300.00	63,350.00	57,950.00	52.2%
Bank Charges	15,000.00		15,000.00	-	15,000.00	0.0%
	2,562,800.00		2,562,800.00	5,178,482.00	(2,615,682.00)	0.0%
PAYMENTS FOR OPERATIONS					-	0.0%
Personal Emoluments	6,847,200.00		6,847,200.00	4,604,381.00	2242819	67.
Service Gratuity				-	-	0.0%
Administration Cost	1,432,600.00		1,432,600.00	1,199,618.00	232,982.00	0.0%
Repairs maintenance and improvement	1,902,000.00		1,902,000.00	2,269,464.00	(367,464.00)	119.3%
Local transport / travelling	1,902,000.00		1,902,000.00	3,132,574.00	(1,230,574.00)	164.7%
Electricity and water	1,280,600.00		12,806,000.00	1,546,909.00	11,259,091.00	12.1%
Medical Expenses	2,036,000.00		2,036,000.00	67,000.00	1,969,000.00	3.3%
Activity Expenses	1,902,000.00		1,902,000.00	1,641,157.00	260,843.00	26.3%
Learning Materials				565,214.00	(565,214.00)	#DIV/0!
Insurance Cost				-	-	
Bank Charges				-	-	
Total	17,302,400.00		28,827,800.00	15,026,317.00	-	

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BOARDING AND SCHOOL FUND						
PAYMENTS						
bursary						-
Bus hire						-
tender Money						?
Activity Money						-
Personnel emoluments						-
Service Gratuity						-
Repairs and maintenance & Improvements						-
Local transport / travelling						-
Transfer operation acc					2,876,585.20	(2,876,585.20)
Medical Expenses						0
Administration costs						-
Launch Programme	41,000,000.00					
Bank Charges				41,000,000.00	35,222,696.40	5,777,303.60
Expenses on farming Activities						79.3%
Fee on Boarding Equipment and Stores						0.0%
Rent Expenses						-
Insurance Cost (Life Property)						-
Loan Principal repayment						-
Loan Interest repayment						-
Acquisition of Assets						-
TOTAL	41,000,000.00			41,000,000.00	38,099,281.60	2,900,718.40
						36.3%

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022

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XI. NOTES TO THE FINANCIAL STATEMENTS

1. CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	448,635.75	60,573.25
Exercise books	1,212,554.00	563,893.00
Laboratory equipment	783,037.00	764,331.00
Internal exams	547,605.00	254,661.00
Teaching / learning materials	568,836.00	-
Chalks	22,295.00	
Teachers guides	86,051.00	
Reference/Library	890,250.60	
Total	4,559,264.35	1,643,458.25

2. CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	6,019,730.00 ✓	2,950,579.00
maintenance and improvement		4,736,250.00
Local transport / travelling	3,896,025.50	1,201,543.00
Electricity and water	1,880,680.90	784,439.00
infrastructure	7,221,750.00	4,736,250.00
Administration costs	1,491,981.50	637,510.20
Insurance/Medical		
Activity	504,000.00	-
Transfer from school fund	2,876,585.20	
Total	23,890,753.10	15,046,571.20

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3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Boarding Equipment and Stores Lunch		
Lunch Programme	37,201,420.85	8,521,168.00
Personal emolument	-	-
Local transport / travelling	-	-
Repairs and Maintenance	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
SMASSE	-	-
Activity	-	-
Total	37,201,420.85	8,521,168.00

4. OTHER RECEIPTS - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Bursary Funds		
Electricity, water & C	-	-
LT&T	-	-
Repairs and Maintenance	-	-
Personal Emoluments	-	-
Admin Costs	-	-
Activity	-	-
Transfer (Tuition acc)	691,100.00	-
Bursary Funds	-	-
Tender income	-	-
Income from farming activities	-	-
Insurance compensation	-	-
Income from Posho mill	-	-
Income from Bus Hire	252,600.00	-
Fee for hire of ground and equipment	-	-
Income from grants and donations*	-	-
Interest income	-	-
Dividends income	-	-
Total	943,700.00	-

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5. PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks	-	-
Exercise books	1,125,950.00	490,873.00
Laboratory equipment	2,048,240.00	633,686.00
Internal exams	137,800.00	52,730.60
Teaching / learning materials	1,778,642.00	221,634.00
Chalks	24,500.00	-
Exams and assessment	-	-
Teachers guides	-	-
Library and reference	63,350.00	205,400.00
Transfers Tuition /operation	691,100.00	-
Bank Charges	-	8,833.40
Total	5,869,582.00	1,613,207.00

6. PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personal Emoluments	4,604,381.00	2,413,222.00
Service Gratuity	-	-
Administration Cost	1,199,618.00	521,407.80
Repairs maintenance and improvement	2,269,464.00	5,291,672.00
Local transport / travelling	3,132,574.00	982,719.00
Electricity and water	1,546,909.00	641,578.00
Activity Expenses	1,641,157.00	398,492.00
Infrastructure	8,307,500.00	4,124,242.80
Medical Insurance & Property	67,000.00	-
Learning Materials	565,214.00	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition of Assets	-	-
TOTAL	23,333,817.00	14,373,333.60

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7. BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	Kshs	Kshs
Bursary		
Bus Hire	93,240.00	
Tender Money		
Activity Money		
Personnel emoluments		
Service Gratuity		-
Repairs and maintenance & Improvements		-
Local transport / travelling		
Transfer operation acc	2,876,585.20	-
Medical Expenses		-
Administration costs		-
Lunch Programme	35,222,696.40	9,224,656.85
Bank Charges		-
Expenses on farming Activities		-
Fee on Boarding Equipment and Stores		-
Rent Expenses		-
Insurance Cost (Life Property)		-
Loan Principal repayment		-
Loan Interest repayment		-
Acquisition of Assets		-
TOTAL	38,192,521.60	9,224,656.85

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

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8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account- ABSA BANK	2711396692	(100,224.59)	16,459.85
Operations Account -FAMILY BANK	18000017935	461,366.48	19,874.58
School Fund Account- ABSA BANK	271117132	412,417.10	368,185.85
Savings Account-ABSA BANK(gratuity)	3565434	(642,900.00)	
Income generating activities Account			-
Infrastructural Account- FAMILY BANK	18000077445		762,250.40
Savings Account-ABSA BANK(gratuity)	3836438	30,455.00	-
Co-operative acc	1139506062400	(845,237.00)	-
Farm Account		-	
Total		(684,223.22)	1,166,770.68

9 CASH IN HAND

Description		2021-2022	2020-2021
		Kshs	Kshs
Tuition Account		-	-
Operation Account			
School Fund account		(2,570.00)	4,840.00
Infrastructure-			
Total		(2,570.00)	4,840.00

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10. SHORT TERM INVESTMENTS

Description		2021-2022	2020-2021
		Kshs	Kshs
Cooperative shares		-	-
Treasury Bills		-	-
Fixed deposit		-	-
Equity stock		-	-
Other investments		-	-
Total		-	-

11. ACCOUNTS RECEIVABLE

Description		2021-2022	2020-2021
		Kshs	Kshs
Fees arrears		2,474,286.00	4,918,976.00
Other non-fees receivables		-	-
Salary advances		-	-
Imprest		-	-
Total		2,474,286.00	4,918,976.00

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

Description		2021-2022	2020-2021
		Kshs	Kshs
Fees arrears for current year		3,350,269.00	4,918,976.00
Fees arrears for the previous year			
Less recoveries		(875,983.00)	
Fees arrears for prior periods (over two years)			
Total		2,474,286.00	4,918,976.00

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12. ACCOUNTS PAYABLE

Description		2021-2022	2020-2021
		Kshs	Kshs
Trade creditors(See ageing below and appendix1)		2,107,383.00	2,703,147.00
Prepaid fees		728,993.00	-
decrease in payable		(657,461.20)	-
Total		2,178,914.80	2,703,147.00

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

Description		2021-2022	2020-2021
		Kshs	Kshs
Trade creditors for current year		2,107,383.00	
Trade creditors for the previous year		-	2,703,147.00
creditors paid		(2,703,147.00)	-
Trade creditors for prior periods (over two years		-	-
Total		(595,764.00)	2,703,147.00

13. FUND BALANCE BROUGHT FORWARD

Description		2021-2022	2020-2021
		Kshs	Kshs
Bank balances		404,520.28	(203,322.07)
Cash balances		4,840.00	9,168.00
Investments-savings accounts		-	
Receivables			5,551,435.00
Payables			426,620.00
Total		409,360.28	4,930,660.93

OTHER IMPORTANT DISCLOSURE NOTES
14. NON-CURRENT LIABILITIES SUMMARY

Description		2021-2022	2020-2021
		Kshs	Kshs
Bank loan(s)		-	-
Outstanding Leases		-	-
Hire purchase		-	-
Gratuity and leave provision		-	-
Total		-	-

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15. BIOLOGICAL ASSETS

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

16. BORROWINGS

Description		2021-2022	2020-2021
		KShs	KShs
a) Borrowings			
Borrowing at beginning of the year		-	-
Borrowings during the year			-
Repayments of during the year		-	-
Balance at end of the year		-	-

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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 schools non-financial assets and liabilities.

17. STOCK/ INVENTORY

Description		2021-2022	2020-2021
		KShs	KShs
Stock/Inventory			
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		-	-

N.B : Consumable Ledger Available.

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STOCK/INVENTORY

[illegible]

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

[illegible]

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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 2022	Comments
	a	b	c	d = a-c	
	Kshs	Kshs	Kshs	Kshs	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Supply of goods					
4. Soy stores	300,000.00	30/06/2021		300,000.00	TO CLEAR IN THE YEAR
5. Mawla lab	279,152.00	30/06/2021		279,152.00	"
6. Fig stores	378,000.00	30/06/2021		378,000.00	"
7. Patmat Bookshop	236,381.00	30/06/2021		236,381.00	"
8. Rice supplied	312,000.00	30/06/2021		312,000.00	"
9. Unga Supplied	152,250.00	30/06/2021		152,250.00	"
10. Meat supplied	174,000.00	30/06/2021		174,000.00	"
11. Sukuma wiki	36,000.00	30/06/2021		36,000.00	"
12. Fruits	66,000.00	30/06/2021		66,000.00	"
13. Firewood	124,000.00	30/06/2021		124,000.00	"
Sub-Total	2,057,783.00	30/06/2021		2,057,783.00	"
Supply of services					
14. NAWASCCO	30,000.00	30/06/2021		30,000.00	"
15. KPLC	19,600.00	30/06/2021		19,600.00	"
Sub-Total	49,600.00			49,600.00	"
Grand Total	2,107,383.00			2,107,383.00	"

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

S/No	Asset class	Date purchased	Location	Historical Cost b/f	Historical Cost c/f
		Kshs	Kshs	Kshs	Kshs
1.	Land	Balance b/f	Langalanga Secondary School	250,000,000.00	250,000,000.00
2.	Buildings and structures	Balance b/f	Langalanga Secondary School	70,000,000.00	70,000,000.00
3.	Motor vehicles	Balance b/f	Langalanga Secondary School	6,000,000.00	6,000,000.00
4.	Office equipment, furniture and fittings	Balance b/f	Langalanga Secondary School	2,571,000.00	2,571,000.00
5.	ICT Equipment, and Other ICT Assets	Balance b/f	Langalanga Secondary School	1,000,000.00	1,000,000.00
6.	Tools and apparatus	Balance b/f	Langalanga Secondary School	5,000,000.00	5,000,000.00
7.	Textbooks	Balance b/f	Langalanga Secondary School	5,000,000.00	5,000,000.00
8.	Other Machinery and Equipment	Balance b/f	Langalanga Secondary School	500,000.00	500,000.00
9.	Intangible assets- soft ware	Balance b/f	Langalanga Secondary School	500,000.00	500,000.00
	Total			340,571,000.00	340,571,000.00

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