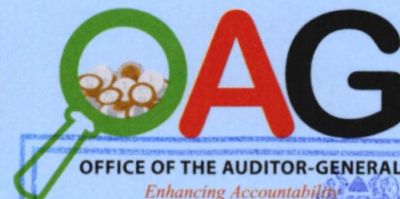


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 10 JUN 2026

DAY.

WEDNESDAY

TABLED
BY:

HON- DWEN BATA, mp

DEPUTY MAJORITY LEADER

ESTHER NGINYO

REPORT

OF

THE AUDITOR-GENERAL

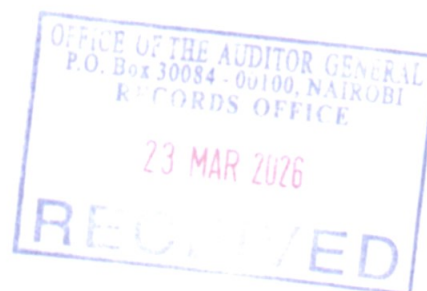
ON

PARLIAMENT
OF KENYA
LIBRARY

LUNGA-LUNGA SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

KWALE COUNTY



LUNGA-LUNGA SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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LUNGA-LUNGA SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

ii. 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 in **Kwale County, Lunga-Lunga Sub-County**.

The school was registered in **15TH April 1988** under registration number **02S30000001** and re-registered on **27TH January 2017** under registration number **KWL/S/02/123/596** and is currently categorized as a **Sub-County public school** established, owned and operated by the Government.

The school is a mixed day and had **797** number of students as at **30th June 2021**. It has **5 (Five)** streams and **35** teachers of which **16** 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	Ali Nguvu	Chairman	5.9.2019
2	Nixon Mbagi	Secretary - Principal	5.9.2019
3	Daniel Bazo	Member	5.9.2019
4	Dorah Mwang'ombe	Member	5.9.2019
5	Grace Nthenya	Member	5.9.2019
6	George Lugogo	Member	5.9.2019
7	Saumu Jumadari	Member	5.9.2019
8	King'oo Maula	Member – Rep CEB	5.9.2019
9	Geovan Mutua	Member Rep Teachers	5.9.2019
10	Hellen Kidzao	Member - Sponsor	5.9.2019
11	Mwanjama Omari	Member - Community	5.9.2019
12	Francis Mutunga	Member Special Needs	5.9.2019
13	John Okello	Rep Students	5.9.2019
14	Sebastian Mdawida	Member - Community	5.9.2019

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Ali Nguvu 2. Nixon Mbagu 3. Daniel Bazo John 4. Grace Nthenya Samuel	Chairman Secretary PA Chair Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	1. Nixon Mbagu 2. Daniel Bazo John 3. Dorah Chari Mwang'ombe 4. George Lugogo	Secretary Chair Member Member	0 out of 0 0 out of 0 0 out of 0 0 out of 0
3	Finance, procurement and general purposes Committee	1. Nixon Mbagu 2. Daniel Bazo John 3. Dorah Chari Mwang'ombe 4. Sebastian Mdawida	Secretary PA Chair Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2
4	Academic Committee	1. Nixon Mbagu 2. Sebastian Mdawida 3. Francis Mutunga Timothy 4. Hellen Kidzao	Secretary Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2
5	Development Committee	1. Daniel Bazo John 2. Nixon Mbagu 3. Saumu Jumadari 4. George Chombo Lugogo 5. Mwanjama Omari	Chair Secretary Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
	Discipline and welfare Committee	1. Ali Nguvu 2. Nixon Mbagu 3. King'oo Maula 4. Grace Nthenya Samuel	Chair Secretary Member Member	0 out of 0 0 out of 0 0 out of 0 0 out of 0

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Nixon Mbaga	TSC No. 336384
2	Deputy Principal	Fredrick Kithuku	TSC No. 358293
3	School Bursar	Simon Riko Wanje	ID. 13143892

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(a) Schools contacts

Post Office Box: 9 – 80402, LUNGALUNGA.
Telephone: 0733151301
E-mail: lungalungasecondary@gmail.com
Website: NONE
Facebook: NONE
Twitter: NONE

(b) School Bankers

Name of Bank	: Kenya Commercial Bank
Branch	: Ukunda
Name of Account	: LungaLunga Secondary School TUITION ACCOUNT
Account Number	: 1108604862
Name of Bank	: Kenya Commercial Bank
Branch	: Ukunda
Name of Account	: LungaLunga Secondary School OPERATIONAL ACCOUNT
Account Number	: 1108603645
Name of Bank	: Kenya Commercial Bank
Branch	: Ukunda
Name of Account	: LungaLunga Secondary School BOARDING ACCOUNT
Account Number	: 1108605060
Name of Bank	: Kenya Commercial Bank
Branch	: Ukunda
Name of Account	: LungaLunga Secondary School INFRASTRUCTURE ACCOUNT
Account Number	: 1212770285
Name of Bank	: Kenya Commercial Bank
Branch	: Ukunda
Name of Account	: LungaLunga Secondary School PTA FUND ACCOUNT
Account Number	: 1109900562

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

(e) Independent Auditors

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

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

iii. 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

S/No	Year	Amount	Surplus / Deficit
1	2020 - 2021	569,610	Surplus
2	2019 - 2020	N/A	N/A
3	2018 - 2019	N/A	N/A

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

Financial Year		2020 - 2021
S/No	Name Of Account	Amount
1	Tuition Account	967,354
2	Operational Account	6,542,329
3	Infrastructure Account	0
	TOTAL	7,509,683

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

Financial Year		2020 - 2021
S/No	Name Of Account	Ratio
1	Tuition Account	1 : 3948
2	Operational Account	1 : 17924
3	Infrastructure Account	1 : 0
	TOTAL	1 : 21872

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

Financial Year	2020 - 2021
----------------	-------------

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

S/No	Name Of Account	Amount
1	Parents Contribution - Fees	10,111,664
2	PTA Fund	0
3	Tender Fees	0
	TOTAL	10,111,664

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

NONE

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

S/No	Year	Debtors (Kshs)	Creditors (Kshs)
1	2020 - 2021	6,321,278	868,610

Movement of cash and bank balances over the last three years

S/No	Year	Cash (Kshs)	Bank (Kshs)
1	2020 - 2021	-	3,663,596

b) Teacher Student ratio:

- The teacher-to-student ratio, = 1:22
- Number of teachers recruited
and posted to the school within the year, = 1
- Number of teachers that were transferred = 0
- Number of teachers that retired during the period = 0
- Number of teachers employed by TSC, = 19
- Number employed by BOM. = 16

Number of teachers for each subject

- 1. English = 5

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

2.	Kiswahili	=	3
3.	Mathematics	=	4
4.	Chemistry	=	3
5.	Biology	=	3
6.	CRE	=	1
7.	IRE	=	2
8.	History	=	2
9.	Geography	=	3
10.	Business Studies	=	2
11.	Agriculture	=	2
12.	Physics	=	2

c) The mean score in the 2021 KCSE:

KCSE YEAR	NO. OF CANDIDATES	MEAN SCORE	MEAN DEVIATION	TRANSITION TO HIGHER LEARNING
2021	141	3.312	0.062 (+ve)	54
2020	108	3.25	0.070 (+ve)	34
2019	122	3.18	0.034 (+ve)	38

d) Number of Candidates in the 2021 KCSE:

KCSE YEAR	NO. OF CANDIDATES
2021	141
2020	108
2019	122

e) The capacity of the school:

- 162 Students : One Dormitory

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

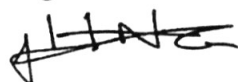
- 797 Students : No Dining Hall
- 797 Students : No Kitchen
- 797 Students : Two Laboratory
- 797 Students : Three Toilets (6 Way)
- 797 Students : Nineteen Classrooms\
- 797 Students : One Administration Block

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
N/A					

Sign



16.03.2026

School Principal

LUNGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

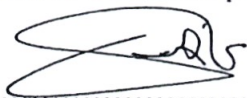
iv. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

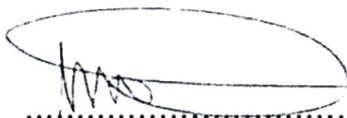
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.



.....
Name: **BALOZI K. BEWITA**
Designation: **Chairman, School Board of Management**
Date: **16.03.2026**



.....
Name: **NGANA-K. R**
Designation: **School Principal & Secretary to Board of Management**
Date: **16/03/2026**



.....
Name: **SIMON RICO WANJE**
Designation: **Bursar/ Finance Officer**
Date: **16/03/2026**

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 LUNGA-LUNGA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – KWALE COUNTY

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and 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 Lunga-Lunga Secondary School set out on pages 14 to 32, which comprise of the statement of financial assets and

financial liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash flows and 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 Lunga-Lunga Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Revenue and Expenses

The statement of receipts and payments reflects total receipts of Kshs.17,621,347. The receipts includes an amount Kshs.7,509,683 in respect to Government grants for tuition and operations which was not supported by school enrolment data as well as National Education Management and Information System (NEMIS) data. Further, revenue items were not supported with schedules indicating revenue stream, transaction date, amount/fees being paid, the respective school term being invoiced, among other details. In addition, the statement reflects total expenses of Kshs.17,051,736 which was not supported by ledgers indicating individual breakdown of transactions.

In the circumstances, the accuracy and completeness of the receipts and payments of Kshs.17,621,347 and Kshs.17,051,736 respectively could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 8 to the financial statements reflects cash and cash equivalents balance of Kshs.3,663,595. However, the balance includes an amount of Kshs.2,069,810 for two (2) accounts extracted from certificate of bank balances and the respective cashbooks and bank reconciliation statements which were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.3,663,595 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.6,321,278. However, the balance was not supported by schedules detailing outstanding amounts owed by the debtors as well as the list of students, outstanding fees amounts, due dates and ageing analysis.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.6,321,278 could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payables balance of Kshs.868,610 relating to prepaid fees. However, student fee ledgers, prepaid fees schedule indicating amounts and periods paid in advance, and supporting official receipts were not submitted for audit.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.868,610 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget of Kshs.34,287,964 and actual on a comparable basis of Kshs.17,621,348 resulting to an under-collection of Kshs.16,666,616 or 49%. Similarly, the School spent an amount of Kshs.17,051,736 out of the actual receipt of Kshs.17,621,348 resulting to under-absorption of Kshs.569,614 or 3% of the receipts.

The underfunding may have affected the school's activities which may impact negatively on service delivery.

My opinion is not modified in respect of this matter.

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 12 which comprise of Key School Information and Management, Summary Report of Performance of the School and 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. I have nothing to report in this regard.

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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Late Submission of the Financial Statements for Audit

The annual report and financial statements for the year under review were submitted to the Auditor General on 16 March, 2026 instead of 30 September, 2021. This was contrary to Section 47(1) of the Public Audit Act, 2015, which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Non-Compliance with the International Public Sector Accounting Standards (IPSAS) Requirements

The annual report and financial assets and liabilities indicated that the financial statements were prepared for the twelve (12) month period ending 30 June, 2021. Further, no disclosure was made regarding the change in the basis of preparation of financial statements from a calendar year to the Government fiscal year. This was contrary to Paragraph 1.2.2 of the Ministry of Education Circular Ref: MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 and Section 5.3 of the PSASB Guideline on Implementation of IPSAS by Public Secondary Schools (August 2021), which required schools to prepare financial statements covering an 18-month period from 1 January, 2020 to 30 June, 2021.

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

3. Failure to Operate Savings Account

Review of the bank records and cashbooks revealed that the School had not opened a savings account for banking funds from boarding account that cannot be put to immediate use. This was contrary to the Ministry of Education Guidelines on implementation of Free Day Secondary Education for 2020 Ref: MOE/CAP/45 dated 26 November, 2019 which required that the School should open a savings account for banking funds that cannot be put into immediate use.

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

4. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects total payments of Kshs.17,051,736. Included in the expenditure is an amount of Kshs.514,133 transferred to Kenya Secondary School Heads Association (KESSHA) a welfare organization which is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside the Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, the legality and value for money transferred to KESSHA amounting to Kshs.514,133 could not be confirmed.

5. Lack of Approved Procurement Plan

The statement of receipts and payments reflects total payments amounting to Kshs.17,051,736. However, the School did not have an Approved Procurement Plan. This was contrary to Regulation 71(1) of Public Procurement and Asset Disposal Regulations, 2020, which requires that Pursuant to Section 73 of the Act, the head of the user department shall initiate the procurement process through a requisition as per the approved procurement plan. In addition, Management had not made training arrangements to capacity build the existing storekeeper.

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

6. Non-Submission of Annual Governance Report

Review of the school's governance and reporting records established that Management did not prepare and submit an Annual Report for the year under review to the Director of Basic Education. This was contrary to Section 60 of the Basic Education Act, 2013. requires that every public school or institution of basic education shall, on an annual basis, submit a report to the Director of Basic Education.

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

7. Failure to Transfer Infrastructure Funds

The statement of receipts and payments reflects total receipts of Kshs.17,621,347 out of which Kshs.7,509,682 relates to Government capitation grants. However, review of the bank statements revealed that an amount of Kshs.372,000 earmarked for infrastructure development received in the operations account was not transferred to the infrastructure account. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which requires that infrastructure grants, as well as maintenance and improvement funds, be transferred to the school infrastructure account within fifteen (15) days of receipt in the operations account.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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, based on the audit procedures performed, except for the effect of 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 governance were not effective.

Basis for Conclusion

1. Use of Manual Systems

The statement of receipts and payments reflects total revenue of Kshs.17,621,347. Review of the school's information and technology systems revealed that the school collects fees from parents in cash and issues manual receipts instead of utilizing an automated receipting system.

In the circumstances, the effectiveness in the use of manual system for collecting fees could not be confirmed.

2. Lack of Imprest Register

Note 6 and Note 7 to the financial statements reflects local travel, transport, and travelling expenditure of Kshs.620,780. However, examination of expenditure records revealed that the School does not maintain an imprest register to account for imprests issued and surrendered by individual staff members.

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

3. Weaknesses in Management of Assets

Annex 2 on summary of fixed assets reflects total assets balance of Kshs.107,000,000 out of which Kshs.10,000,000 relates to land measuring approximately 25 acres. However, Management did not explain how the value of land was determined and they were not in the possession of any land ownership documents including title deed.

Further, Annex 2 to the financial statements reflects a summary of the fixed assets register with an historical cost balance of Kshs.107,000,000 which includes the school parcel of land, buildings and structures, motor vehicle, office equipment, furniture and fittings, ICT equipment, tools and apparatus, other machinery and equipment, and intangible assets. However, Management did not maintain a fixed asset register indicating the individual asset description, tag number, and specific asset location.

In the circumstances, existence of effective measures in the management of assets could not be confirmed.

4. Weaknesses of Board of Management Committees

During the year under review, Board of Management (BoM) committees meeting minutes, agendas, notices, or attendance registers were not provided for audit. Further, it was noted that the terms of appointment for all Board members were set to lapse simultaneously in September 2022, indicating the absence of staggered appointments and inadequate succession planning.

In the circumstances, the overall governance mechanisms could not be confirmed.

5. Lack of Risk Management Policy

During the year under review, Management had not developed Risk Management Policy, Risk Register and established Risk Management Framework. Further, Management had not undertaken any formal risk assessment.

In the circumstances, the effectiveness of risk management could not be confirmed.

6. Failure to Prepare School Improvement Plan

During the year under review, Management did not have an approved School Improvement Plan (SIP) which is a key strategic planning tool that guides academic performance targets, infrastructure development, resource allocation, and overall institutional growth.

In the circumstances, the effectiveness of overall governance and strategic direction of the school 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 the 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 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

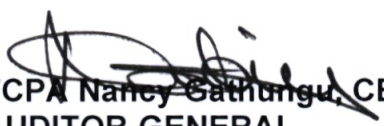
Auditor-General's Responsibilities for the Audit

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

06 May, 2026

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vi. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021
		Kshs
RECEIPTS		
Capitation grants for tuition	1	967,354
Capitation grants for operations	2	6,542,329
School Fund Income- Parents' Contributions	3	10,111,664
School Fund Income- Other receipts	4	-
Proceeds from borrowings		
TOTAL RECEIPTS		<u>17,621,347</u>
PAYMENTS		
Payments for Tuition	5	1,824,705
Payments for operations	6	6,408,892
Boarding and school fund payments	7	8,818,139
TOTAL PAYMENTS		<u>17,051,736</u>
SURPLUS/DEFICIT		569,610

The school financial statements were approved on _____ 2026 and signed by:



Name: **BALOGI K. BEKUTU**

Chair BOM

Date: **16.03.2026**



Name: **NUANA L. R**

School Principal/ Secretary to
BOM

Date: **16/03/2026**



Name: **SIMON RIKO WANJE**

Bursar/ Finance Officer

Date: **16/03/2026**

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vii. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES		
	Note	2020 - 2021
		Kshs
FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	8	3,663,595
Cash Balances	9	-
Short term Investment	10	-
Total Cash and Cash Equivalents		3,663,595
Account's receivables	11	6,321,278
TOTAL FINANCIAL ASSETS		9,984,873
FINANCIAL LIABILITIES		
Accounts Payable	12	(868,610)
NET FINANCIAL ASSETS		<u>9,116,263</u>
REPRESENTED BY		
Fund balance b/fwd	13	8,546,653
Surplus/Deficit for the year		569,610
NET FINANCIAL POSITION		<u>9,116,263</u>

The school financial statements were approved on _____ 2026 and signed by:



Name: **BALLO 21. K. BEKUTA**

Chair BOM

Date: **16/03/2026**



Name: **NGANA 12. R.**

School Principal/ Secretary to BOM

Date: **16.03.2026**



Name: **SIMON RIKO WANJE**

Bursar/ Finance Officer

Date: **16/03/2026**

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viii. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

STATEMENT OF CASH FLOW		
		2020 - 2021
		Kshs
Receipts from operating activities		
Capitation grants for tuition	1	967,354
Capitation grants for operations	2	6,542,329
School fund income- Parents contributions/ fees	3	10,111,664
School fund income- other receipts	4	-
Total receipts		17,621,347
Payments		
Payments for Tuition	5	1,824,705
Payments for operations	6	6,408,892
Boarding and school fund payments	7	8,818,139
Total		17,051,736
Net cash flow from operating activities		569,610
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets		
Acquisition of Assets		-
Proceeds from investments		-
Net cash flows from Investing Activities		-
NET CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans		-
Repayment of principal borrowings		-
Net cash flows from borrowing Activities		
NET INCREASE IN CASH AND CASH EQUIVALENT		569,610
Cash and cash equivalents at the beginning of the year	13	3,093,985
Cash and cash equivalents at the end of the year		3,663,595

LUNGA-LUNGA SECONDARY SCHOOL
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ix. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	
Exercise books	1,311,050	-	1,311,050	124,650	1,186,400	10%
Laboratory equipment	693,550	-	693,550	65,840	627,710	9%
Internal exams	240,500	-	240,500	22,860	217,640	10%
Teaching / learning materials	383,500	-	383,500	747,824	-364,324	195%
Chalks	65,000	-	65,000	6,180	58,820	10%
Exams and assessment	-	-	-	-	-	
Reference/Library	-	-	-	-	-	
Teachers guides	-	-	-	-	-	
Total	<u>2,693,600</u>	<u>0</u>	<u>2,693,600</u>	<u>967,354</u>	<u>1,726,246</u>	
(2) CAPITATION GRANT ON OPERATIONS						
Personnel Emoluments	4,065,740	-	4,065,740	2,314,165	1,751,576	57%
Maintenance & Improvement	3,250,000	-	3,250,000	2,783,000	467,000	86%
Local Transport / Travelling	681,420	-	681,420	523,350	158,070	77%

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Electricity And Water	681,420	-	681,420	398,465	282,955	58%
Medical	1,300,000	-	1,300,000	0	1,300,000	0%
Administration Costs	681,420	-	681,420	523,350	158,070	77%
Other Voteheads	-	-	-	-	-	
Insurance & Property	-	-	-	-	-	
Activity	975,000	-	975,000	0	975,000	0%
SMASSE	-	-	-	-	-	
Total	<u>11,635,000</u>	<u>0</u>	<u>11,635,000</u>	<u>6,542,330</u>	<u>5,092,671</u>	
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	4,321,864	-	4,321,864	579,350	3,742,514	13%
Repairs and maintenance	1,490,000	-	1,490,000	833,245	656,755	56%
Local transport / travelling	908,000	-	908,000	25,885	882,115	3%
Electricity and water	896,000	-	896,000	768,220	127,780	86%
Medical	37,350	-	37,350	0	37,350	0%
Administration costs	277,500	-	277,500	70,250	207,250	25%
Activity	97,500	-	97,500	75,500	22,000	77%
SMASSE	-	-	-	0	-	
Fee on Boarding Equipment and Stores	11,931,150	-	11,931,150	7,759,214	4,171,936	65%
Total	<u>19,959,364</u>	<u>0</u>	<u>19,959,364</u>	<u>10,111,664</u>	<u>9,847,700</u>	
OTHER INCOME						
Rent income	-	-	-	-	-	0%
Income from farming activities	-	-	-	-	-	0%

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Insurance compensation	-	-	-	-	-	0%
Income from Posho mill	-	-	-	-	-	0%
Income from Bus Hire	-	-	-	-	-	0%
Fee for hire of ground and equipment	-	-	-	-	-	0%
Interest income	-	-	-	-	-	0%
Income from any other investment	-	-	-	-	-	0%
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
TOTAL INCOME	<u>34,287,964</u>	<u>0</u>	<u>34,287,964</u>	<u>17,621,348</u>	<u>16,666,617</u>	51%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	-	-	-	-	-	0%
Exercise books	1,311,050	-	1,311,050	-	1,311,050	0%
Laboratory equipment	693,550	-	693,550	1,305,049	388,501	44%
Internal exams	240,500	-	240,500	51,280	189,220	21%
Teaching / learning materials	383,500	-	383,500	467,890	-84,390	122%
Chalks	65,000	-	65,000	-	65,000	0%
Exams and assessment	-	-	-	-	-	0%
Teachers guides	-	-	-	-	-	0%
Administration costs	-	-	-	-	-	0%
Bank Charges	-	-	-	486	-486	0%
Total	<u>2,693,600</u>	<u>0</u>	<u>2,693,600</u>	<u>1,824,705</u>	<u>1,868,895</u>	
(2) EXPENDITURE FOR OPERATIONS						
Personnel Emoluments	4,065,740	-	4,065,740	2,214,172	1,851,568	54%

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Maintenance & Improvement	3,250,000	-	3,250,000	3,713,195	-463,195	114%
Local Transport / Travelling	681,420	-	681,420	89,000	592,420	13%
Electricity And Water	681,420	-	681,420	238,840	442,580	35%
Medical	1,300,000	-	1,300,000		1,300,000	0%
Administration Costs	681,420	-	681,420	70,385	611,035	10%
Other Voteheads	-	-	-		-	0%
Insurance & Property	-	-	-		-	0%
Activity	975,000	-	975,000	83,300	891,700	8%
Total	<u>11,635,000</u>	<u>0</u>	<u>11,635,000</u>	<u>6,408,892</u>	<u>5,226,108</u>	
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	4,321,864	-	4,321,864	168,200	4,153,664	4%
Repairs, maintenance and improvements	1,490,000	-	1,490,000	3,113,070	-623,070	142%
Local transport / travelling	908,000	-	908,000	531,780	476,220	48%
Electricity, water and conservancy	896,000	-	896,000	180,890	715,110	20%
Medical Expenses	37,350	-	37,350	30,700	6,650	82%
Administration costs	277,500	-	277,500	440,292	-162,792	159%
Activity	97,500	-	97,500	6,220	91,280	6%
Gratuity	-	-	-		-	0%
Lunch programme	-	-	-		-	0%
Boarding Equipment and Stores	11,931,150	-	11,931,150	4,346,987	9,117,155	24%
Expenditure for Income Generating Activity	-	-	-	-	-	0%

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Insurance costs	-	-	-	-	-	0%
Other expenses on investments	-	-	-	-	-	0%
Rent Expenses	-	-	-	-	-	0%
Bank Charges	-	-	-	-	-	0%
Loan Interest Repayment	-	-	-	-	-	0%
Loan Principal Repayment	-	-	-	-	-	0%
Acquisition of Assets	-	-	-	-	-	0%
Sub-Totals	<u>19,959,364</u>	<u>0</u>	<u>19,959,364</u>	<u>8,818,139</u>	<u>13,774,217</u>	
TOTALS	<u>34,287,964</u>	<u>0</u>	<u>34,287,964</u>	<u>17,051,736</u>	<u>20,869,220</u>	50%

Explanation of Variances

Capitation Grant – Tuition

The variance arose because the capitation funds disbursed by the Ministry of Education during the financial year were lower than the budgeted amounts due to delays and adjustments in government disbursements.

School Fund Income – Parents’ Contributions

The variance was mainly attributed to lower fee collections during the financial year due to delayed or partial payments by parents and guardians.

Teaching and Learning Materials

The over-expenditure occurred due to the need to procure additional teaching and learning materials during the year to support academic activities which had not been fully anticipated at the budgeting stage.

Administration Costs – School Fund

The variance resulted from increased administrative expenses during the financial year which were higher than the amounts initially budgeted.

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

The previous year's financial statements cover a period of eighteen (18) months following the harmonization of the school reporting period to the Government financial year ending 30 June. The comparative figures relate to a twelve (12) month period and are therefore not directly comparable with the current period figures.

10. Subsequent events

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

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xi. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

1	CAPITATION GRANT FOR TUITION	
		2020-2021
		Kshs
	Textbooks and reference materials	-
	Exercise books	124,650
	Laboratory equipment	65,840
	Internal exams	22,860
	Teaching / learning materials	747,824
	Chalks	6,180
	Exams and assessment	-
	Reference/Library	-
	Teachers guides	-
	Total	967,354

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021
	Kshs
Personnel emoluments	2,314,165
Maintenance and Improvement	2,783,000
Local transport / travelling	523,350
Electricity and water	398,465
Medical	-
Administration costs	523,350
OTHER VOTEHEADS	
INSURANCE & PROPERTY	
LAB	
Activity	
Total	6,542,329

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021
	Kshs
Personnel emoluments	579,350
Boarding Equipment and Stores/Lunch	7,759,214
Maintenance and Improvement	833,245
Local transport / travelling	25,885
Electricity and water	768,220
Medical	
Administration costs	70,250
Tender	
Activity	75,500
Purchase of School Land	
Total	10,111,664

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 PAYMENTS FOR TUITION

	2020-2021
	Kshs
Textbooks and reference materials	-
Exercise books	-
Laboratory equipment	1,305,049
Internal exams	51,280
Teaching/learning materials	467,890
Chalks	-
Exams and assessment	-
Teachers guides	-
Administration Costs	-
Reference / Library	-
Bank Charges	486
Total	1,824,705

6 PAYMENTS FOR OPERATIONS

	2020-2021
	Kshs
Personnel emoluments	2,214,172
Service Gratuity	-
Administration Cost	70,385
Maintenance and Improvement	3,713,195
Local transport / travelling	89,000
Electricity and water	238,840
Medical	-
Activity Expenses	83,300
Others	-
Insurance Cost	-
Bank Charges	-
Grants	-
Acquisition of Assets	-

LUNGALUNGA SECONDARY SCHOOL
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TOTAL	6,408,892
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021
	Kshs
Personnel emoluments	168,200
Service Gratuity	-
Maintenance & Improvements	3,113,070
Local transport / travelling	531,780
Electricity and water	180,890
Administration costs	440,292
BES / Lunch Programme	-
Bank Charges	-
Expenses on Income Generating Activities	-
Fee on Boarding Equipment and Stores	4,346,987
Activity Expenses	6,220
Pocket Money	-
Medical Expenses	30,700
Loan Interest repayment	-
Acquisition of Assets	-
TOTAL	8,818,139

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021
		Kshs
Tuition Account	1108604862	247,717
Operations Account	1108603645	636,920
School Fund Account/Boarding	1108605060	709,148
Parent Association Development Account	1109900562	26,586
Infrastructural Account	1212770285	2,043,224
Total		3,663,595

9 CASH IN HAND

Description	2020-2021
	Kshs
Tuition Account	-
Operation Account	-
School Fund account	-
Total	-

10 SHORT-TERM INVESTMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021
	Kshs
Fees arrears	6,321,278
Other non-fees receivables	
P.A.Y.E	
N.S.S.F	
Salary advances	
Imprest	
Total	6,321,278

Description	2020-2021
	Kshs
Fees arrears for current year	704,543
Fees arrears for the previous year	5,616,735
Fees arrears for prior periods (over two years)	
Total	6,321,278

12 ACCOUNTS PAYABLE

Description	2020-2021
	Kshs
Trade creditors (See ageing below and appendix 1)	-
Prepaid fees	868,610
Retention monies	
Imarika Sacco	
NSSF	
NHIF	
P.A.Y.E	
Total	868,610

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Description	2020-2021
	Kshs
Trade creditors for current year	868,610
Trade creditors for the previous year	-
Trade creditors for prior periods (over two years)	-
Total	868,610

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021
	Kshs
Bank balances	3,093,985
Cash balances	-
Short Term Investments	-
Receivables	6,321,278
Payables	(868,610)
Total	8,546,653

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

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

15 Biological assets

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

16 Borrowings

Description	2020-2021
	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

17 Stock/ Inventory

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

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18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

Note

This is the first-time audit, there are no pending audit issues from the external auditor

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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 2021	Outstanding Balance 2020-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. NONE	N/A	N/A	N/A	N/A	N/A	NONE
2. NONE	N/A	N/A	N/A	N/A	N/A	NONE
3. NONE	N/A	N/A	N/A	N/A	N/A	NONE
Sub-Total						
Supply of goods						
4. NONE	N/A	N/A	N/A	N/A	N/A	NONE
5. NONE	N/A	N/A	N/A	N/A	N/A	NONE
6. NONE	N/A	N/A	N/A	N/A	N/A	NONE
Sub-Total						
Supply of services						
7. NONE	N/A	N/A	N/A	N/A	N/A	NONE
8. NONE	N/A	N/A	N/A	N/A	N/A	NONE
9. NONE	N/A	N/A	N/A	N/A	N/A	NONE
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset Class	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land	10,000,000	0	0	10,000,000
Buildings And Structures	65,500,000	0	0	65,500,000
Motor Vehicles	0	0	0	0
Office Equipment, Furniture And Fittings	8,000,000	0	0	8,000,000
Textbooks	As per T/Bks register			As per T/Bks register
ICT Equipment	2,000,000	0	0	2,000,000
Tools And Apparatus	21,500,000	0	0	21,500,000
Other Machinery And Equipment	0	0	0	0
Heritage And Cultural Assets	0	0	0	0
Intangible Assets- Soft Ware	0	0	0	0
Total	107,000,000	0	0	107,000,000