REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL

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

MAKUENI COUNTY

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
P.O BOX 84 – 90130 NUNGUI.

REPORT AND FINANCIAL STATEMENTS

FOR SIX MONTHS PERIOD ENDED

30th June 2021

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

NAME: ST.THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
PO BOX 84-90130 NUNGUNI
MOTTO: DETERMINATION FOR EXCELLENCE
Email: thomeb43@yahoo.com
Tel: 0757609686

(a) Background information

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

The school was registered in 4TH September 2019 under registration number 17S30000002 and is currently categorized as an Extra County public school established by Catholic Church, owned or operated by the Government.

The school is a boarding school and had 509 numbers of students as at *30th June 2021*. It has 11 streams and 21 teachers of which 5 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.	FREDRICK MUTHENYA KASOMI	Chairman - Sponsor	27TH JULY 2019
2.	GITONGA PAUL	Secretary - Principal	27TH JULY 2019
3.	BERNARD MALONZA	Secretary- Principal	29TH DEC 2023
4.	JOHN KYALO MULELA	Member	27TH JULY 2019
5.	FAITH KATUMBI MUTAVI	Member	27TH JULY 2019
6.	STEPHEN MATEE	Member	27TH JULY 2019
7.	LAWRENCE WAMBUA MAKAU	Member	27TH JULY 2019
8.	BILHA MUKEKU	Member	27TH JULY 2019
9.	TERRY MUNYAE	Member	27TH JULY 2019
10.	ELIZABETH NZIOKA	Member – Rep CEB	27TH JULY 2019
11.	DANIEL MUTUKU MUSOMI	Member Rep-Teachers	27TH JULY 2019
12.	MUNYAE MULINGE	Member	27TH JULY 2019
13.	FR. BONIFACE NZOMO	Member-Sponsor	27TH JULY 2019
14.	SEBASTIAN MUSYOKI	Member - Community	27TH JULY 2019
15.	PETER WAMBUA MUKEKU	MemberSpecial Needs	27TH JULY 2019
16.	ERIC LEE MULWA	Member	27TH JULY 2019
17.	JACKSON MUTULA KASULI	Member	27TH JULY 2019
18.	JOSEPH KIMOTE	Member	27TH JULY 2019
19.	KELVIN KIMEU	Rep Students	27TH JULY 2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

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

(c) Committees of the Board

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. Dr. Fredrick Kasomi** **2. Gitonga Paul** **3. Peter Mukeku** **4. Sebastian Musyoki** **5. Lawrence Makau**	**Chairman** **Secretary** **Member** **Member** **Member**	**2 out of 2**
2	Audit Committee			
3	Finance,procurement and general purposes Committee			
4	Academic Committee	**1. Dr. Fredrick Kasomi** **2. Gitonga Paul** **3. John Mulela** **4. Munyae Mulinge** **5. Lawrence Makau** **6. Urbus Mutuku** **7. Gedion Juma**	**Chairman** **Member** **Member** **Member** **Member** **Deputy Principal** **Teacher Dos**	1 out of 1
5	Development Committee	**1. Dr. Fredrick Kasomi** **2. Gitonga Paul** **3. Peter Mukeku** **4. Sebastian Musyoki** **5. Lawrence Makau** **6. Urbanus Mutuku**	**Chairman** **Member** **Member** **Member** **Member** **Deputy Principal**	3 out of 3

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

- Promote the best interests of the School and ensure its development.
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6	Discipline and welfare Committee			
7	Adhoc Committee (if any during the year)			

(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	Gitonga Paul	Tsc No . 371652
2	Deputy Principal	Urbanus Mutuku	Tsc No . 373092
3	School Bursar	Mary Muange	Id No. 27883544

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box:	P.O Box 84 – 90130 Nunguni
Telephone:	0757 609 686
E-mail:	thomeb43@yahoo.com
Website:	
Facebook:	
Twitter:	

(f) School Bankers

The school operated 4 bank accounts in the following banks:

1. ACCOUNT NAME: **TUITION ACCOUNT**
   Name of Bank: Kenya Commercial Bank
   Branch: MACHAKOS
   Account Number: **1206800917**

2. ACCOUNT NAME: **OPERATIONS ACCOUNT**
   Name of Bank: Kenya Commercial Bank
   Branch: MACHAKOS
   Account Number: **1206801360**

3. ACCOUNT NAME: **INFRASTRUCTURE ACCOUNT**
   Name of Bank: Kenya Commercial Bank
   Branch MACHAKOS
   Account Number: **1210824639**

4. ACCOUNT NAME : **BOARDING ACCOUNT**
   Name of Bank: EQUITY
   Branch : MACHAKOS
   Account Number: **0600294155765**
   Pay bill, business no 247247 account number 995524 attached to boarding account number 0600294155765 in EQUITY BANK Machakos BRANCH

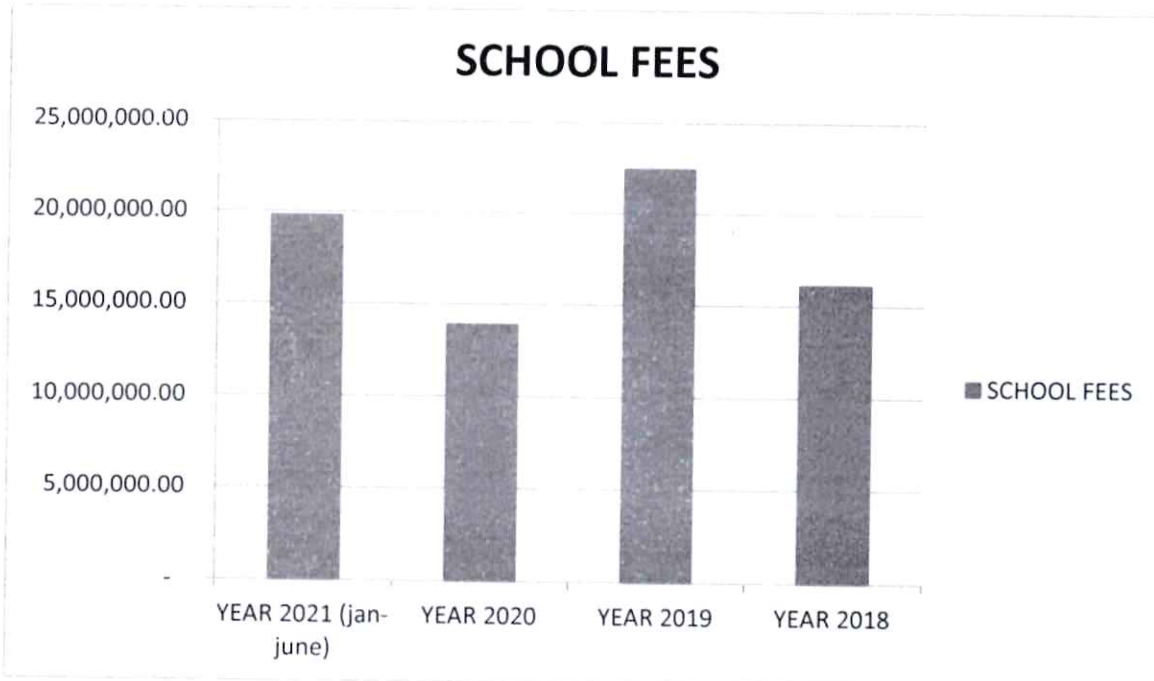
(g) Independent Auditors

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

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

S/NO	ACCOUNT	YEAR 2021 6 MONTHS	YEAR 2020	YEAR 2019	YEAR 2018
		Kshs	Kshs	Kshs	Kshs
1	***SCHOOL FEES***	*19,780,389.00*	*13,893,487.00*	*22,440,379.75*	*16,113,131,.00*
	TOTAL	*19,780,389.00*	*13,893,487.00*	*22,440,379.75*	*16,113,131.00*

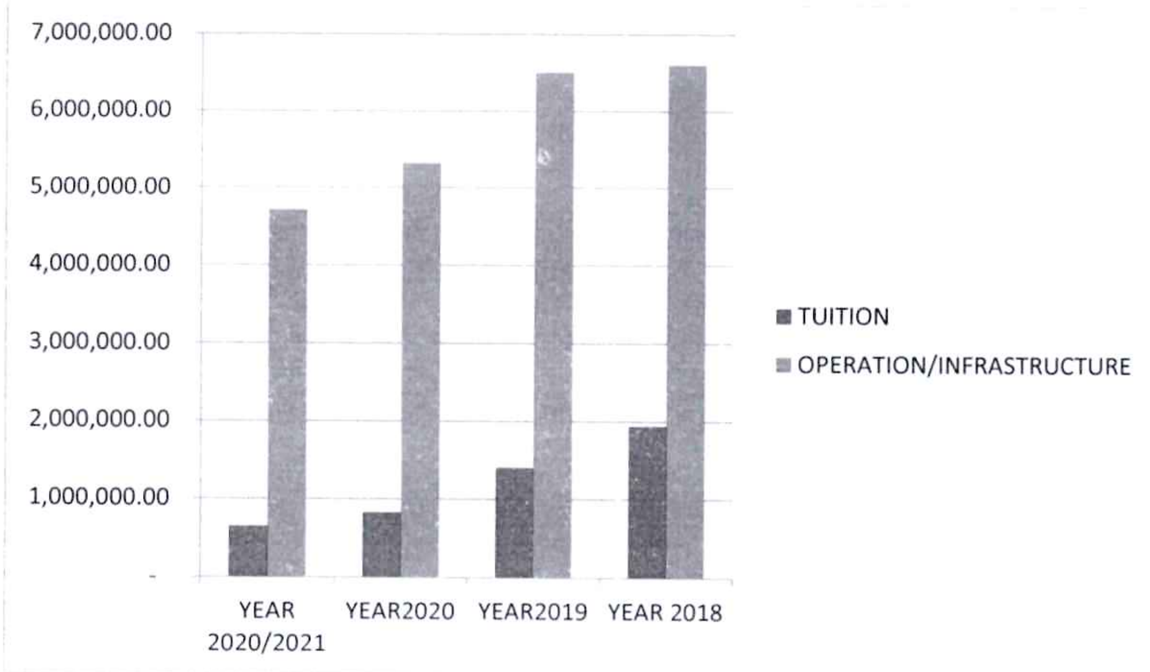
GRAPHICAL PRESENTATION: GROWTH OVER INCOME



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

S/NO	ACCOUNT	YEAR 2021 6 MONTHS Kshs	YEAR 2020 Kshs	YEAR 2019 Kshs	YEAR 2018 Kshs
1	TUITION	664,538.00	827,314.00	1,403,537.20	1,942,742.10
2	OPERATION/ INFRASTRUCTURE	4,714,005.00	5,318,375.00	6,508,114.50	6,606,372.00
	TOTALS	5,378,543.00	6,145,689.00	7,911,651.70	8,549,114.10

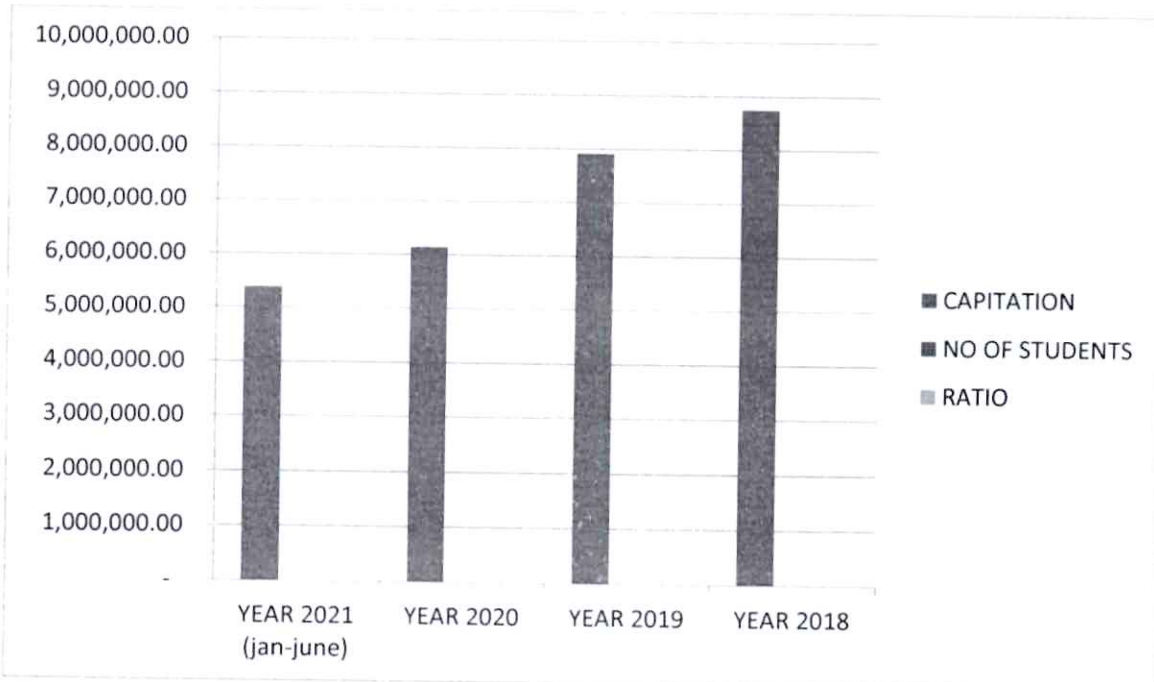
GRAPHICAL PRESENTATION: CAPITATION GRANTS



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

S/NO		YEAR 2021 6 MONTHS	YEAR 2020	YEAR 2019	YEAR 2018
1	***CAPITATION***	*5,378,543.00*	*6,145,689.00*	*7,911,651.70*	*8,749,114.60*
2	***NO OF STUDENTS***	*509*	*511*	*447*	*382*
3	***RATIO***	*1:10,566.88*	*1:12,026.79*	*1:17,699.44*	*1:22,903.40*

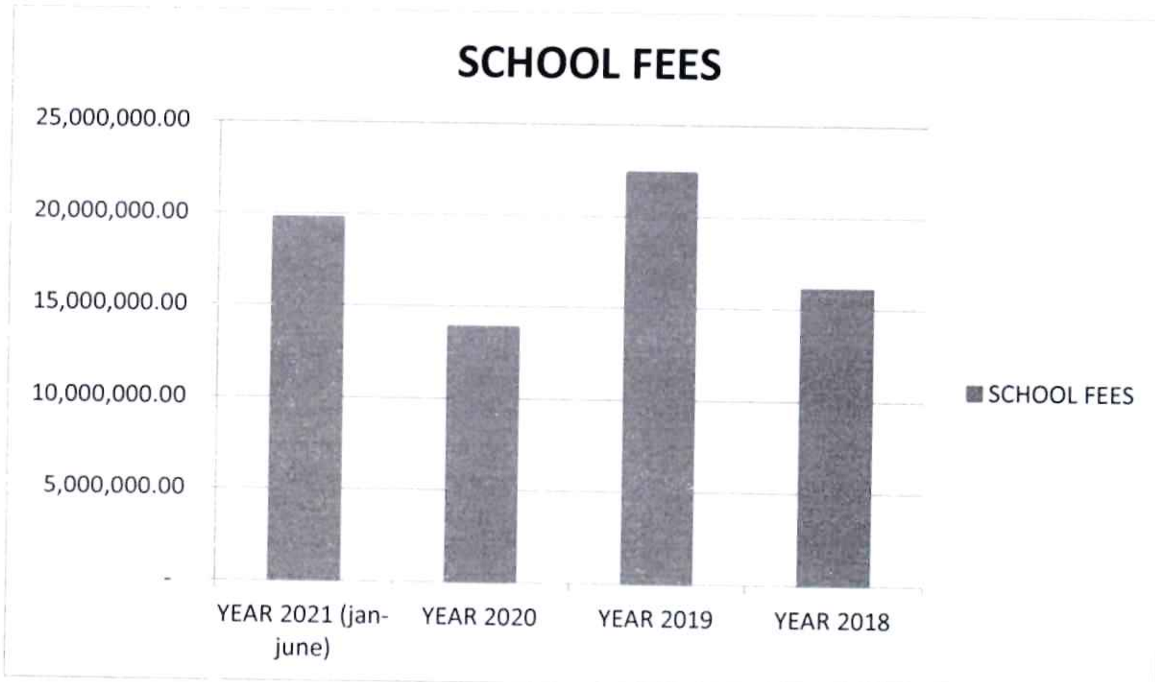
GRAPHICAL PRESENTATION ON CAPITATION GRANTS



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

S/NO	ACCOUNT	YEAR 2021 6 MONTHS	YEAR 2020	YEAR 2019	YEAR 2018
		Kshs	Kshs	Kshs	Kshs
1	*SCHOOL FEES*	*19,780,389.00*	*13,893,487.00*	*22,440,379.75*	*16,113,131,.00*
	TOTAL	*19,780,389.00*	*13,893,487.00*	*22,440,379.75*	*16,113,131.00*

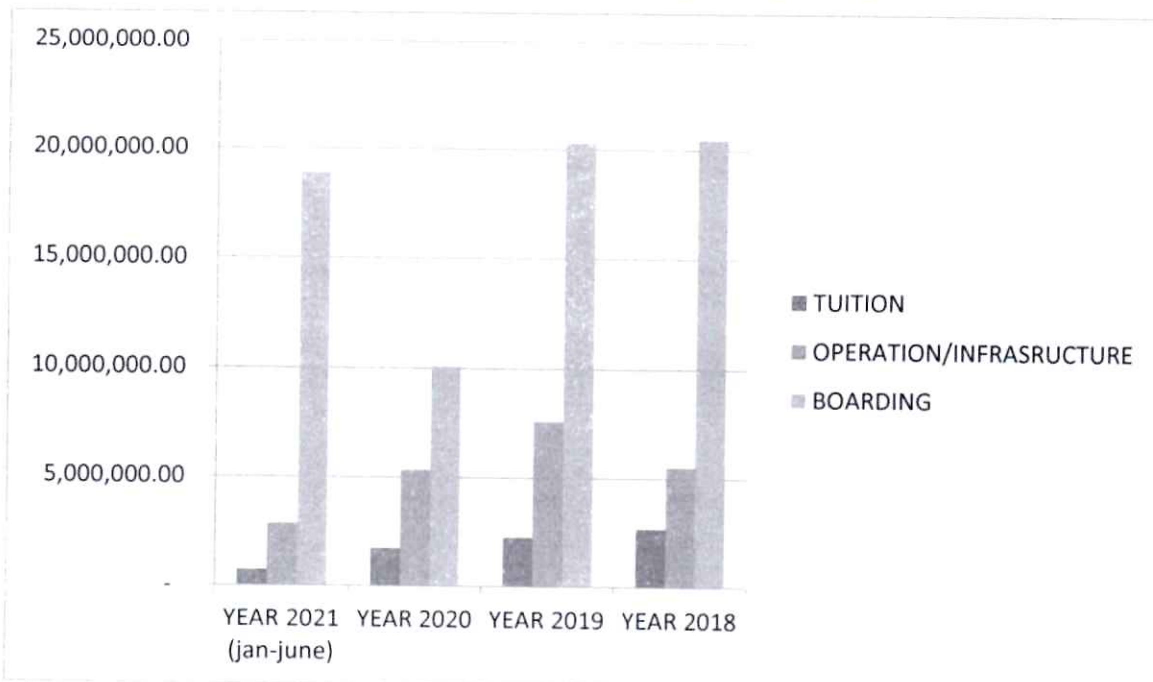
GRAPHICAL PRESENTATION: GROWTH OVER INCOME



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

S/NO	ACCOUNT	YEAR 2021 6 MONTHS	YEAR 2020	YEAR 2019	YEAR 2018
		Kshs	Kshs	Kshs	Kshs
1	***TUITION***	*732,276.00*	*1,746,958.00*	*2,274,146.00*	*2,700,397.60*
2	***OPERATION/ INFRASTRUCTURE***	*2,855,691.00*	*5,345,807.00*	*7,599,340.00*	*5,498,687.55*
3	***BOARDING***	*18,877,823.00*	*10,119,551.00*	*20,321,088.40*	*20,470,712.44*
	TOTALS	***22,465,790.00***	***17,212,316.00***	***30,194,574.40***	***28,669,797.59***

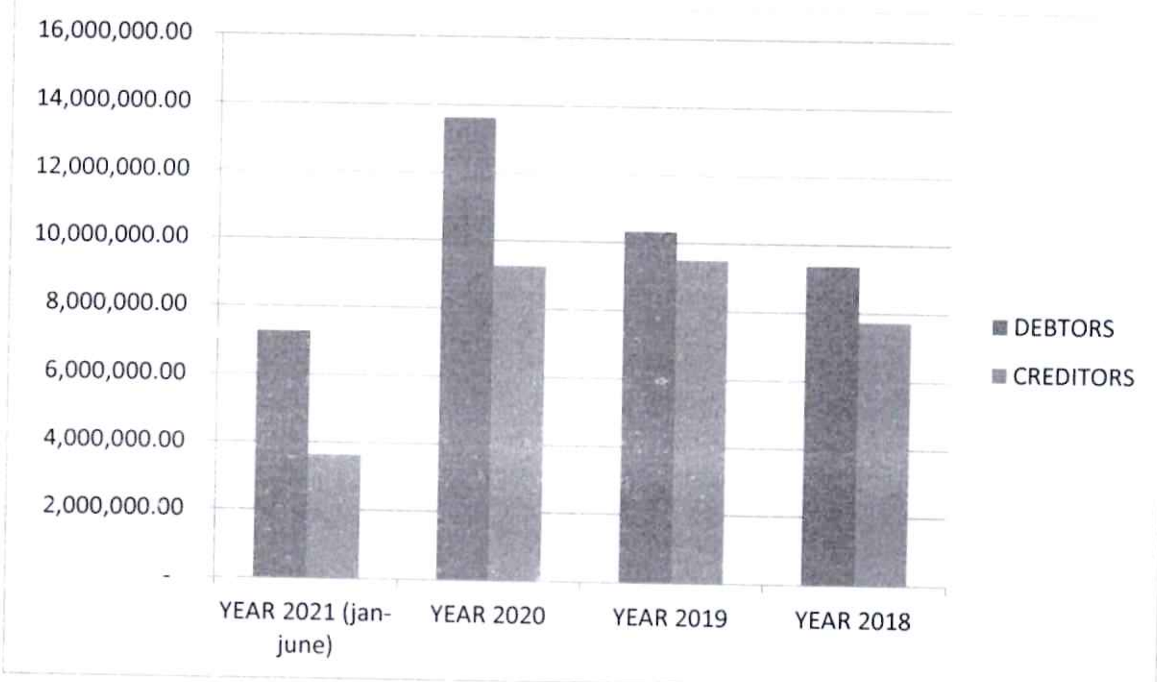
GRAPHICAL PRESENTATION: GROWTH IN EXPENDITURE



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

S/NO		YEAR 2021 6 MONTHS Kshs	YEAR 2020 Kshs	YEAR 2019 Kshs	YEAR 2018 Kshs
1	DEBTORS (RECEIVABLES)	3,641,052.00	13,623,048.00	10,316,759.00	9,365,761.00
2	CREDITORS (PAYABLES)	7,263,843.00	9,254,495.00	9,500,828.00	7,740,831.00

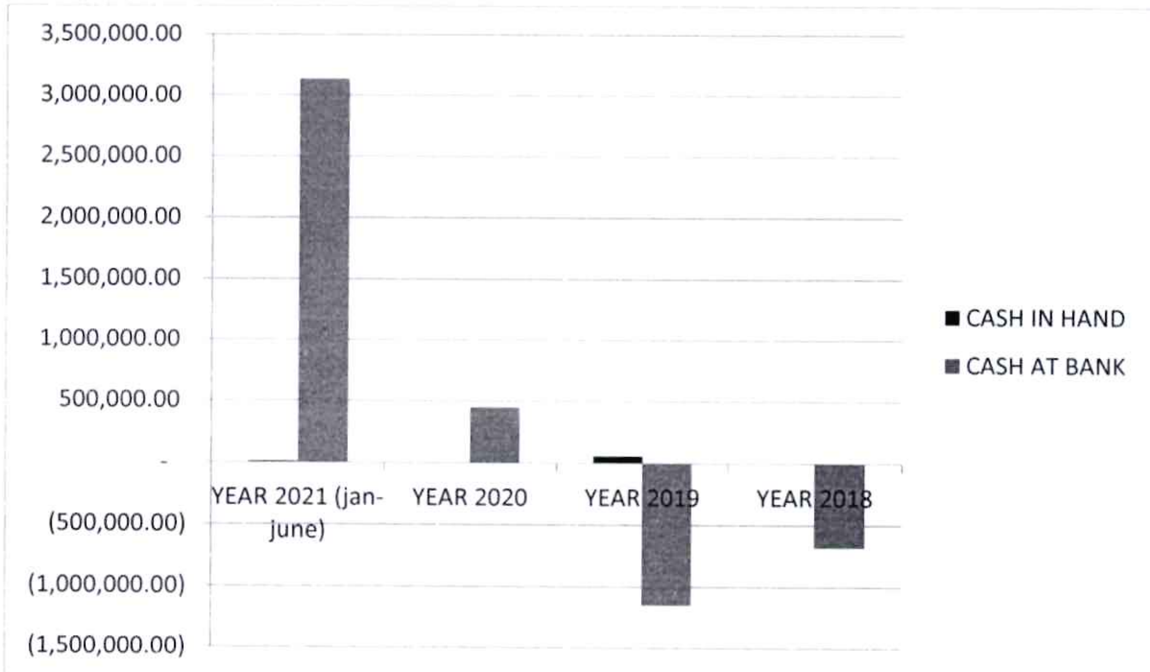
GARPHICAL PRESENTATION: DEBTORS AND CREDITORS



- *Movement of cash and bank balances over the last three years*

S/NO		YEAR 2021 6 MONTHS	YEAR 2020	YEAR 2019	YEAR 2018
		Kshs	Kshs	Kshs	Kshs
1	CASH IN HAND	9,570.00	0	58,035.00	0
2	CASH AT BANK	3,132,422.00	448,850.00	(1,150,076.60)	(679,097.60)
	TOTALS	3,141,992.00	448,850.00	(1,092,041.60)	(679,097.60)

GRAPHICAL PRESENTATION: CASH AND BANK BALANCES



b) **Teacher Student ratio**:

Item	Number
TSC teachers	16
BOM teachers	5
Teacher to student ratio	1:24
Teachers recruited and posted to the school within the year	1
Teachers that were transferred/ retired during the period	1
Teachers per subject	
English	3
Kiswahili	5
Mathematics	5
Biology	4
Physics	2
Chemistry	3
History	2
Geography	2
C.R.E.	4
Agriculture	2
Business Studies	4
Computer Studies	1

c) **Mean score in the KCSE**:

Year	2020	2019	2018
MEAN	6.7515	5.9276	5.1619
Target	6.500	6.000	6.000
Deviation			
Remarks			
Transition	60	29	

d) **Number of Candidates in the KCSE:**

Year	2020	2019	2018
Candidates	115	69	86

e) **Capacity of the school**:

Year	2020	2019	2018
Candidates	115	69	86

f) Development projects carried out by the school:

Project	Source of funds	Status
Construction of storey dormitory-project ongoing	*RMI (Infrastructure)-MOEST FUNDS*	*ongoing*

Sign …………………………

Date: 24/7/2024

Mr. Gitonga Paul
<u>Prncipal</u>

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 *ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL* Ace pts 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 period ended 30th June, 2021, and of the school's financial position as at that date.

NAME : DR. FREDRICK M. KASOMI
DESIGNATION: CHAIRMAN, SCHOOL BOARD OF MANAGEMENT
SIGN : ....
DATE : 24/07/2024

NAME : MR. GITONGA PAUL
DESIGNATION: SCHOOL PRINCIPAL& SECRETARY TO BOARD OF MANAGEMENT
SIGN : ....
DATE : 24/07/2024

NAME : MARY MUANGE
DESIGNATION: BURSAR/ FINANCE OFFICER
SIGN : ....
DATE : 24/07/2024

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

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – MAKUENI COUNTY

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Thomas Aquinas Boys Thomeandu Secondary School - Makueni County set out on pages 17 to 39, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of comparison of budgeted versus actual amounts for the period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Thomas Aquinas Boys Thomeandu Secondary School – Makueni County as at 30 June, 2021 and its financial performance and cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Long Outstanding Receivables

The statement of financial assets and financial liabilities as at 30 June, 2021 reflects accounts receivables balance of Kshs.14,263,843 as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.10,622,791 which have been outstanding for over two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.14,263,843 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the St. Thomas Aquinas Boys Thomeandu 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 budget versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.27,889,500 and Kshs.25,158,932 respectively, resulting to under-collection of Kshs.2,730,568 or 10% of the approved budget. However, the School spent Kshs.22,465,790 against actual receipts of Kshs.25,158,932 resulting to under-utilization of Kshs.2,693,142 or 11% of the actual receipts.

The under collection and under-utilization affected the planned activities and may have impacted negatively on the School's activities.

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. There were no key audit matters to report in the period under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statements of receipts and payments reflects payments for operations amount of Kshs.2,855,691 as disclosed in Note 6 to the financial statements which includes transfers of Kshs.405,000 to the Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that is not recognized by the Public Finance Management Act, 2012 and draws its membership from Schools Principals only.

In the circumstances, the value for money transferred to KESSHA amounting to Kshs.405,000 could not be confirmed.

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.4,714,005 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,987,750 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.766,500 was transferred to infrastructure account, leaving a balance of Kshs.1,221,250 as at 30 June, 2021. Further, an amount of Kshs.766,500 was transferred after the lapse of fifteen (15) days since date of receipt. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Long Outstanding Accounts Payables

The statement of financial assets and liabilities and Note12 to the financial statements reflects accounts payables balance of Kshs.14,263,843 which includes Kshs.215,000 owed to two (2) creditors by the School that has been outstanding since 2018.This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in the approved budgets.

In the circumstances, full settlement of the creditors could not be confirmed and the long delay in payments of payables may lead to litigations against the School.

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 27 October, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

5. Non–Compliance with Public Sector Accounting Standards Board

Review of the financial statements revealed that the financial statement were not paginated in accordance with the prescribed reporting template as issued by the Public Sector Accounting Standards Board. All the pages were numerically paginated whereas the reporting template requires that the pages containing the non-financial information be in roman numbers and pages from the statement of receipts and payments to the Annexes be in numerical numbers.

Further, Annex 1 to the financial statements on analysis of pending accounts payables do not have the date the supplier was contracted and Annex 2 to the financial statements on summary of fixed assets register did not reflect the date the assets were purchased as required by the template issued by the Public Sector Accounting Standards Board.

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

6. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.53,335,000 in respect of fixed assets which includes mainly two (2) parcels of land with an estimated value of Kshs.4,060,000 and buildings and structures of Kshs.28,000,000. However, the land was supported by an allotment letter and no valuation was done to support the balances.

In the circumstances, the completeness and ownership of the main assets could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as to obtain limited assurance as to whether the activities, financial transactions and information reflected in the financial statements are complying, 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 THE 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 procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is ware of the intention to terminate the School or to cease its operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 November, 2024

V. **STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE 2021.**

DESCRIPTION OF VOTE HEAD	Note	Jan - june2021 Kshs	2019-2020
RECEIPTS			
Capitation grants for tuition	1	664,538.00	-
Capitation grants for operations	2	4,714,005.00	-
School Fund Income- Parents' Contributions	3	12,740,389.00	-
School Fund Income- Other receipts	4	7,040,000.00	-
Proceeds from borrowings		0	-
TOTAL RECEIPTS		**25,158,932.00**	-
PAYMENTS			
Payments for Tuition	5	732,276.00	-
Payments for operations	6	2,855,691.00	-
Boarding and school fund payments	7	18,877,823.00	-
TOTAL PAYMENTS		**22,465,790.00**	-
SURPLUS/DEFICIT		**2,693,142.00**	

The school financial statements were approved on 24/07/2024 and signed by:

Name: Dr Fedrick Kasomi
Chair Bom
Sign: ……………
Date: 24/07/2024

Name: Mr. Gitonga Paul
Principal/Secretary Bom
Sign……………
Date: 24/07/2024

Name: Mary Muange
Bursar/Finance Officer
Sign……………..
Date: 24/07/2024

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES FOR THE SIX MONTHS PERIOD AS AT 30TH JUNE 2021.

	Note	Jan - june2021	2019- 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	3,132,422.00	448,850.00
Cash Balances	9	9,570.00	-
Short term Investment	10	0.00	-
Total Cash and cash equivalent		**3,141,992.00**	**448,850.00**
			-
Account's receivables	11	14,263,843.00	-
			-
TOTAL FINANCIAL ASSETS		**17,405,835.00**	**-**
FINANCIAL LIABILITIES			
Accounts Payables	12	14,263,843.00	-
NET FINANCIAL ASSETS		**3,141,992.00**	**448,850.00**
REPRESENTED BY			
Accumulated Fund b/fwd	13	448,850.00	-
Surplus/Deficit for the year		2,693,142.00	**448,850.00**
NET FINANCIAL POSSITION		**3,141,992.00**	**-**

The school financial statements were approved on 24/07/2024 and signed by:

Name: Dr Fedrick Kasomi
Chair Bom
Sign: ……………………
Date: 24/07/2024

Name: Mr. Gitonga Paul
Principal/Secretary Bom
Sign……………………
Date: 24/07/2024

Name: Mary Muange
Bursar/Finance Officer
Sign……………………..
Date: 24/07/2024

VII. STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE 2021

		Jan - jun2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	664,538.00	-
Capitation grants for operations	2	4,714,005.00	-
School fund income- Parents contributions/ fees	3	12,740,389.00	-
School fund income- other receipts	4	7,040,000.00	-
Total receipts		**25,158,932.00**	-
Payments			
Payments for Tuition	5	732,276.00	-
Payments for operations	6	2,855,691.00	-
Boarding and school fund payments	7	18,877,823.00	-
Total payments		**22,465,790.00**	-
Net cash flow from operating activities		**2,693,142.00**	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	-
Acquisition of Assets		0	-
Proceeds from investments		0	-
Purchase of investments		**0**	-
Net cash flows from Investing Activities		**0**	-
CASHFLOW FROM BORROWING ACTIVITIES		0	-
Proceeds from borrowings/ loans		0	-
Repayment of principal borrowings		0	-
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,693,142.00**	-
Cash and cash equivalent at BEGINNING of the year		**448,850.00**	-
Cash and cash equivalent at END of the year		**3,141,992.00**	-

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 cashflow as recommended by PSASB.

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
Activity	0	0	0	70,500.00	-70,500.00	-100%
Gratuity						
SMASSE						
(3) FEES CHARGED ON PARENTS						
Personnel Emolument	1,550,000.00	0	1,550,000.00	629,857.00	920,143.00	41%
Repairs and Maintenance	1,200,000.00	0	1,200,000.00	704,876.00	495,124.00	59%
Local Transport /Travelling	325,000.00	0	325,000.00	181,311.00	143,689.00	56%
Development Fund	-	0	-		-	-
Electricity and Water	2,450,000.00	0	2,450,000.00	744,273.00	480,727.00	30%
Medical	-	0	-	-	-	-
Administrative costs	925,000.00	0	925,000.00	416,230.00	508,770.00	45%
Activity	75,000.00	0	75,000.00	19,931.00	55,069.00	27%
Smasse		0	-	-	-	-
Fee on Boarding Equipment and Stores	13,692,500.00	0	13,692,500.00	10,043,911.00	3,648,589.00	73%
OTHER INCOME						
Rent income	0	0	0	0	0	
Income from farming activities	0	0	0	0	0	
Bursary fund	0	0	0	91,493.00	-91,493.00	-100%
Insurance compensation	0	0	0	0	0	
Income from Posho mill	0	0	0	0	0	
Income from Bus Hire	0	0	0	40,000.00	-40,000.00	-100%
Bus Hire	0	0	0	7,000,000.00	-7,000,000.00	-100%
Fee for hire of ground and equipment	0	0		0	0	
Interest income	0	0	0			

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
Income from any other investment	0	0	0			
TOTAL INCOME	**27,889,500.00**	0	**27,889,500.00**	**25,158,932.00**	**2,730,568.00**	**90%**
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	0	0	0	0	0	0.00%
Exercise books	0	0	0	0	0	0.00%
Laboratory equipment	0	0	0	0	0	0.00%
Internal exams	0	0	0	0	0	-
Teaching / learning materials	2,072,000.00	0	2,072,000.00	732,276.00	1,339,724.00	35%
Chalks		0	0	0	0	0.00%
Exams and assessment	0	0	0	0	0	0.00%
Reference Materials	0	0	0	0	0	0.00%
Administration costs	0	0	0	0	0	
Bank Charges	0	0	0	0	0	
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,000,000.00	-	2,000,000.00	1,431,934.00	568,066.00	72%
Repair and Maintenance	3,000,000.00	-	3,000,000.00	500,000.00	2,500,000.00	16%
Local transport / travelling	0	-	0	347,065.00	-347,065.00	-100%
Electricity, water and conservancy	400,000.00	-	400,000.00	247,060.00	152,940.00	62%
Administration costs	200,000.00	-	200,000.00	273,532.00	-73,532.00	136%
Activity Expenses	0	-	0	55,900.00	-55,900.00	-100%
Gratuity	0	0	0	0		0

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
SMASSE	0	0	0	0	0	0
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel Emolument	1,550,000.00	0	1,550,000.00	2,675,140.00	-1,125,140.00	172%
Repairs, maintenance and improvements	1,200,000.00	0	1,200,000.00	7,324,870.00	-6,124,870.00	610%
Local transport / travelling	325,000.00	0	325,000.00	489,775.00	-164,775.00	150%
Electricity, water and conservancy	2,450,000.00	0	2,450,000.00	509,084.00	1,940,916.00	21%
Medical Expenses	-	0	-	0		0
Administration costs	925,000.00	0	925,000.00	2,712,880.00	-1,787,880.00	293%
Activity	75,000.00	0	75,000.00	0		0.00%
Gratuity	0	0	0	0		0
Boarding Equipment and Stores	13,692,500.00	0	13,692,500.00	5,166,074.00	8,526,426.00	37%
Bursary fund	0	0	0	0		0.00%
Loan Interest Repayment		0		0		0
Loan Principal Repayment		0		0		0
Acquisition of Assets		0		0		0
TOTAL	27,889,500.00	0	27,889,500.00	22,465,790.00	5,423,710.00	81%

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

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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 six months ended 30th June 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	Jan-June2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	0	-
Exercise books	0	-
Laboratory equipment	0	-
Internal exams	0	-
Teaching / learning materials	664,538.00	-
Chalks	0	-
Exams and assessment	0	-
Teachers guides	0	-
Total	**664,538.00**	-

2 CAPITATION GRANT FOR OPERATIONS

	Jan-June2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,584,594.00	-
Repairs and maintenance	1,915,750.00	-
Local transport / travelling	459,651.00	-
Electricity and water	403,685.00	-
Medical	0	-
Administration costs	279,825.00	-
Activity	70,500.00	-
Total	**4,714,005.00**	-

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	Jan-June2021	2019-2020
	Kshs	Kshs
Personnel emoluments	629,857.00	-
Repairs and maintenance	704,876.00	-
Local transport / travelling	181,311.00	-
Electricity and water	744,273.00	-
Fee on Boarding Equipment and Stores	10,043,911.00	-
Administration costs	416,230.00	-
Activity	19,931.00	-
Total	**12,740,389.00**	-

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	Jan-June2021	2019-2020
	Kshs	Kshs
Rent income	0	-
Income from farming activities	0	-
Bank Loan	7,000,000.00	-
Insurance compensation	0	-
Income from Posho mill	0	-
Income from Bus Hire	40,000.00	-
Fee for hire of ground and equipment	0	-
Income from grants and donations*	0	-
Interest income	0	-
Dividends income	0	-
Total	**7,040,000.00**	-

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	Jan-June2021	2019-2020
	Kshs	Kshs
Personnel emoluments	629,857.00	-
Repairs and maintenance	704,876.00	-
Local transport / travelling	181,311.00	-
Electricity and water	744,273.00	-
Fee on Boarding Equipment and Stores	10,043,911.00	-
Administration costs	416,230.00	-
Activity	19,931.00	-
Total	**12,740,389.00**	-

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	Jan-June2021	2019-2020
	Kshs	Kshs
Rent income	0	-
Income from farming activities	0	-
Bank Loan	7,000,000.00	-
Insurance compensation	0	-
Income from Posho mill	0	-
Income from Bus Hire	40,000.00	-
Fee for hire of ground and equipment	0	-
Income from grants and donations*	0	-
Interest income	0	-
Dividends income	0	-
Total	**7,040,000.00**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 PAYMENTS FOR TUITION

	Jan-June2021 Kshs	2019-2020 Kshs
Textbooks and reference materials	0	-
Exercise books	0	-
Laboratory equipment	0	-
Internal exams	0	-
Teaching / learning materials	732,276.00	-
Chalks	0	-
Exams and assessment	0	-
Teachers guides	0	-
Administration Costs	0	-
Bank Charges	0	-
Total	732,276.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	Jan-June2021 Kshs	2019-2020 Kshs
Personnel emoluments	1,431,934.00	-
Service Gratuity	0	-
Administration Cost	273,532.00	-
Repairs and maintenance & improvements	500,000.00	-
Local transport / travelling	347,065.00	-
Electricity and water	247,060.00	-
Medical	0	-
Activity Expenses	55,900.00	-
SMASSE	0	-
Insurance Cost	0	-
Bank Charges	200.00	-
Acquisition of Assets	0	-
TOTAL	**2,855,691.00**	-

7 BOARDING AND SCHOOL FUND PAYMENTS

	Jan-June2021 Kshs	2019-2020 Kshs
Personnel emoluments	2,675,140.00	-
Service Gratuity	0	-
Repairs and maintenance & Improvements	7,324,870.00	-
Local transport / travelling	489,775.00	-
Electricity and water	509,084.00	-
Medical Expenses	0	-

Administration costs	2,712,880.00	-
Lunch Programme	0	-
Bank Charges	0	-
Expenses on Income Generating Activities	0	-
Fee on Boarding Equipment and Stores	5,166,074.00	-
Rent Expenses	0	-
Insurance Cost (Life Property)	0	-
Loan Principal repayment	0	-
Loan Interest repayment	0	-
Acquisition of Assets	0	-
TOTAL	**18,877,823.00**	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	Jan-June2021	2019-2020
		Kshs	Kshs
Tuition Account	1206800917	2,328.00	70,065.00
Operations Account	1206801360	1,131,549.00	39,535.00
School Fund Account/Boarding	0600294155765	1,227,531.00	334,536.00
Savings Account	-	0	0
Parent Association Development Account	-	0	0
Income generating activities Account	-	0	0
Infrastructural Account	1210824639	771,014.00	4,714.00
Total		3,132,422.00	**448,850.00**

9 CASH IN HAND

Description	Jan-june2021	2019-2020
	Kshs	Kshs
Tuition Account	0	-
Operation Account	0	-
School Fund account	9,570.00	-
Total	**9,570.00**	**-**

10 SHORT TERM INVESTMENTS

Description	Jan-June2021	2019-2020
	Kshs	Kshs
Cooperative shares	0	-
Treasury Bills	0	-
Fixed deposit	0	-
Equity stock	0	-
Other investments	0	-
Total	0	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	Jan-June2021 Kshs	2019-2020 Kshs
Fees arrears	14,263,843.00	-
Other non-fees receivables	0	-
Salary advances	0	-
Imprest	0	-
Total	**14,263,843.00**	-

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

Description	Jan-June2021 Kshs	2019-2020 Kshs
Fees arrears for current year	3,641,052.00	-
Fees arrears for the previous year	-	-
Fees arrears for prior periods (over two years)	10,622,791.00	-
Total	**14,263,843.00**	-

12 ACCOUNTS PAYABLE

Description	Jan-June2021 Kshs	2019-2020 Kshs
Trade creditors (See ageing below and appendix 1)	14,263,843.00	-
Prepaid fees	0	-
Retention monies	0	-
Total	**14,263,843.00**	-

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

Description	Jan-June2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	14,263,843.00	-
Trade creditors for the previous year	0	-
Trade creditors for prior periods (over two years)	0	-
Total	**14,263,843.00**	**-**

13 FUND BALANCE BROUGHT FORWARD

Description	Jan-June2021	2019-2020
	Kshs	Kshs
Bank balances	448,850.00	-
Cash balances	0	-
Short Term Investments	0	-
Receivables	0	-
Payables	0	-
Total	**448,850.00**	**-**

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	Jan-June2021	2019-2020
	Kshs	Kshs
Bank loan(s)	0	-
Outstanding Leases	0	-
Hire purchase	0	-
Gratuity and leave provision	0	-
Total	**0**	-

15 Biological assets

Description	Numbers	Jan-June2021	2019-2020
		Kshs	Kshs
Cattle		70,000	-
Goats		0	-
Trees		2,500,000.00	-
Coffee or tea plantation		0	-
Poultry		0	-
Total		**2,570,000.00**	-

16 **Borrowings**

Description	Jan-June2021	2019-2020
	KShs	KShs
a) **Borrowings**	0	-
Borrowing at beginning of the year	0	-
Borrowings during the year	0	-
Repayments of during the year	0	-
Balance at end of the year	**0**	-

17 **Stock/ Inventory**

Description	Jan-June2021	2019-2020
	KShs	KShs
b) **Borrowings**	0	-
Stock/ inventory at beginning of the year	16,720.00	-
Stock/ inventory purchased during the year	5,548,640.00	-
Stock/ inventory issued during the year	5,482,245.00	-
Balance at end of the year	**83,115.00**	-

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)*
1.	**Variance in budget figures** The statement of budgeted versus actual amounts reflects a budgeted amount of ksh. 28,289,500.00while the availed budget for audit review indicated kshs. 27,889,500 resulting to unexplained variance of KSH 400,000.00	The management has made the necessary adjustments to the financial statements and balances reconciled to reflect the accurate amounts.	Resolved	Done
2.	**Unsupported receivables** The statement of financial assets and liabilities as at 30th June 2021reflects accounts receivable balance of kshs. 14,263,843.00as indicated undisclosed in Note 11 to the financial statements. However no documentary evidence was provided for audit to support the opening balance of kshs. 10,622,791.00 relating to fee arrears for over 2 years.	These are students who left form 4 with balances and we are still compiling the list	Not resolved	2 months
3.	**Long outstanding accounts payables** Note 12 the financial statements on accounts payables reflects Kshs. 14,263,843.00 which included Kshs.265,000.00 owed by two creditors of the school that has been outstanding since 2018.	We have paid kshs. 50,000.00 and the remaining balance of Kshs 215,000.00 will be cleared immediately	Not resolved	3 Months
4.	**Lack of land ownership documents** The school is built on land measuring 5.6 hectares.	The school management was issued with an allotment letter for the	Not resolved	One year

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	However, the school did not have title deed of the land	school land and is in the process of acquiring the title deed		
5.	**Accuracy of student enrolment data** Examination of documents related to the schools data revealed that there were discrepancies between the students' data in the national education management system (NEMIS) and school records relating the enrolment of students at time of disbursement of capitation by the ministry of education.	The management has noted the irregularities and NEMIS records have been resolved	Resolved	Done
6.	**Transfer of Funds to Kenya Secondary Schools heads association (KSSHA)** The statements of receipts and payments reflects payments for operations amount of Kshs. 2,855,691.00which includes transfer of Kshs. 405,000.00 to the Kenya secondary school heads association (KSSHA) Kilungu and Makueni branches. The transferred funds for activities and local transport expenses were part of Government Operation Capitation Grants received by the school during the period under review. KSSHA is a welfare organization that is not recognized by the public finance management act, 2012 and draws its membership from schools principals only	All funds relating to activities (ball games, athletics and science fairs) are paid to KESHHA to facilitate the activities from zonal level to county level. The issue of Transfer without approval has been raised to KESSHA and MOE and we are waiting for their response	Not resolved	Seven Months

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	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. KIMILU WAMBUA	2,500,000.00	2016	200,000.00	2,300,000.00		
2. MACHAKOSGLASS	575,218.00	2019	375,218.00	200,000.00		
Sub-Total	**3,075,218.00**		**575,218.00**	**2,500,000.00**		
Supply of goods						
3. KIMILU WAMBUA	1,906270.00	2020	880,970.00	1,025,330.00		
4. ONESMUS MAITHYA	96,650.00	2021	66,650.00	30,000.00		
5. TITUS MBUILUNZE	537,600.00	2021	400,000.00	137,600.00		
6. KATUA ITUMANGE	465,980.00	2021	307,180.00	158,800.00		
7. NUNGUNI HARDWARE	513,350.00	2019	240,590.00	272,760.00		
8. SURIYA GLOBAL SOLUTIONS	568,500.00	2019	200,000.00	368,500.00		
9. BESTECH AFRICA SUPPLIERS	265,500.00	2019	65,500.00	200,000.00		
10. SOUL WELDERS	96,120.00	2019	46,120.00	50,000.00		
11. DAJOHN ENTERPRISES	555,880.00	2019	200,000.00	355,880.00		
12. SUBCO CO. LTD	24,000.00	2021	-	24,000.00		
13. CONETIE AGENCIES	398,150.00	2021	350,500.00	47,650.00		
14. EAST KENYA	1,104,670.00	2019	684,430.00	420,240.00		
15. ROMTEC SOLUTIONS	294,500.00	2020	-	294,500.00		
16. SMART SHALOM PRINTERS	573,310.00	2021	273,310.00	300,000.00		
17. KALOYO SPORTS	55,900.00	2016	-	55,900.00		
18. GATEWAY AGENCY	44,000.00	2020	-	44,000.00		
19. TRIM TAP	165,000.00	2016	-	165,000.00		
20. KAHNA LAB SUPPLIES	352,668.00	2018/2019	-	352,668.00		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
21. ASHNAC GLASSS REPAIRS	371,390.00	2021	350,000.00	21,390.00		
Sub-Total	**8,389,438.00**		**4,065,220.00**	**4,324,218.00**		
Supply of services						
22. JOSEPH MULANDI	639,625.00	GRATUITY	200,000.00	439,625.00		
23. BANK LOAN	7,000,000.00		-	7,000,000.00		
Sub-Total	**639,625.00**		**200,000.00**	**439,625.00**		
Grand Total	**19,104,281.00**		**4,840,438.00**	**14,263,843.00**		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st January 2021	Additions/ Appreciation during the year (Kshs)	Disposals/depreciation during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	1963		3,360,000.00	250,000.00		3,610,000.00
Land 2	1963		400,000.00	50,000.00		450,000.00
Buildings and structures			28,000,000.00			28,000,000.00
Motor vehicles	2003,2014		3,650,000.00		200,000.00	3,450,000.00
Office equipment, furniture and fittings			7,997,200.00			7,997,200.00
ICT Equipment, and Other ICT Assets			1,240,000.00	110,500.00		1,350,500.00
Tools and apparatus			3,500.00	8,000.00		11,500.00
Textbooks- FROM MINISTRY OF EDUCATION			5,927,600.00	1,579,200.00		7,506,800.00
Other Machinery and Equipment-			765,000.00	91,000.00		856,000.00
Heritage and cultural assets						
Intangible assets- soft ware			103,000.00	-	-	103,000.00
Total			51,446,300.00			53,335,000.00

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