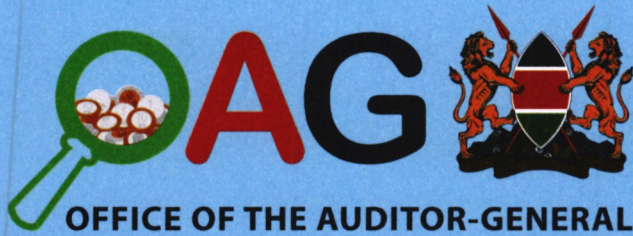


REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY PAPERS I AID	
DATE: 28 NOV 2023	DAY: TUESDAY
TABLED OF:	Hon Owen Baya, MP Deputy majority leader
CLERK-AT THE-TABLE:	Izofu mwale

THE AUDITOR-GENERAL

ON

KAMONDO SECONDARY SCHOOL

**FOR THE SIX MONTHS PERIOD ENDED
30 JUNE, 2021**

KIAMBU COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

17 JUL 2023

RECEIVED



KAMONDO SECONDARY SCHOOL

FINANCIAL STATEMENTS

FOR THE 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)



TABLE OF CONTENTS

I.	KEY SCHOOL INFORMATION AND MANAGEMENT	1
II.	SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	5
III.	STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY.....	11
IV.	REPORT OF THE INDEPENDENT AUDITORS ON KAMONDO SEC .SCHOOL.....	12
V.	STATEMENT OF RECEIPTS AND PAYMENTS.....	13
VI.	STATEMENT OF FINANCIAL ASSETS AND LIABILITIES.....	14
VII.	STATEMENT OF CASH FLOWS.....	15
VIII.	STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR SIX MONTHS ENDED 30 TH JUNE 2022.....	16
IX.	SIGNIFICANT ACCOUNTING POLICIES.....	18
X.	NOTES TO THE FINANCIAL STATEMENTS.....	20
XI.	PROGRESS ON FOLLOW UP OF THE AUDITOR RECOMMENDATION.....	27
XII.	ANNEX 1.-ANALYSIS OF PENDING ACCOUNTS PAYABLES.....	28
XIII.	ANNEX 2.-SUMMARY OF FIXED ASSETS.....	29



KEY SCHOOL INFORMATION AND MANAGEMENT**a) Background information**

Kamondo secondary school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Kiambu County, Githunguri Sub-county, Ikinu ward.

The school was registered on **31/03/2011** under the registration number **PU/S/2/5438/11** and is currently categorized as a **sub-county school**.

Kamondo secondary school is a **mixed day school** and had **380** students as 30th June 2021. It had two streams and 21 teachers of which 2 were employed by the B.OM. The number of support staff stood at 11.

The school was established in **January 2006** under the school management committee of the then Kamondo primary school on a 3.6 acres piece of land. It is a **catholic sponsored** school. The first infrastructure was donated by Kamondo primary school. A residential house, now an administration block, 4 classrooms and an incomplete workshop, now a laboratory.

The school's present development has come through the grants from the CDF projects, parents' contribution and Ministry of Education (M.O.E). As at 30th June 2021, the school infrastructure consisted of 8 permanent classrooms, a dining hall, a permanent and spacious Kitchen, 16 toilets, a laboratory, Staff room and an administration block.

b) Board Members

The school board of Management is composed of the following members:

S/NO	NAME OF BOARD MEMBER	DESIGNATION	DATE OF APPOINTMENT
1	Joseph Ngugi Njuguna	BOM Chairperson	6/3/2019
2	Virginia Muli	BOM Secretary	6/3/2019
3	Mbugua Mwangi	BOM Member	6/3/2019
4	Mary Karanja	BOM Member	6/3/2019
5	Thomas Kiarie	BOM Member	6/3/2019
6	Rahab Mwaniki	BOM Member	6/3/2019
7	Wycliffe Mumia	BOM Member	6/3/2019
8	Lucy Gathoni	BOM Member	6/3/2019
9	Joyce Njeri	BOM Member	6/3/2019
10	DR. Edward Chege	BOM Member	6/3/2019
11	Haron Njoroge	BOM Member	6/3/2019
12	Bernard Kamumu	BOM Member	6/3/2019
13	Mburu Hiuhu	BOM Member	6/3/2019
14	Njeri Macharia	BOM Member	6/3/2019
15	John Kibe	BOM Member	6/3/2019



SCHOOL INFORMATION AND MANAGEMENT (Continued)**THE FUNCTIONS 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 part 21 and 23 of the Basic Education Act, 2013.

C) Committees of the Board

S/NO	NAME OF THE COMMITTEE	NAME OF MEMBERS	DESIGNATION	NUMBER OF MEETINGS ATTENDED DURING THE SIX MONTHS PERIOD
1	Finance and Audit Committee	i. Mburu Hiuhu ii. Joseph Mbugua iii. Mary Wanjiru iv. Bernard Kamumu	BOM member BOM chairperson BOM member BOM member	1 1 1 1
2	Academic Committee	i. Rahab Mwaniki ii. Dr . Edward Chege iii. Njeri Macharia iv. Mbugua Mwangi v. Mr. Wycliffe Mumia	BOM Member BOM member BOM member BOM member BOM member	1 1 1 1 1
3	Infrastructure Committee	i. Bernard Kamumu ii. Mbugua Mwangi iii. Virginia Muli	BOM Member BOM member BOM secretary	1 1 1

		iv. Joyce Njeri		1
Discipline ,Ethics and Integrity, human rights and students' welfare committee	i.	Mr. Mbugua Mwangi	BOM member/PA chairperson	1
	ii.	Joyce Njeri	BOM member	1
	iii.	Lucy Gathoni	BOM member	1
	iv.	Thomas Kiarie	BOM member	1

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	Virginia M. Muli	362651
2	Deputy Principal	Peter Kimani Gikahu	336692
3	School Bursar	John Njoroge Waweru	ID No-25924856

(e) Schools contacts

Post Office Box: 80-00900 Kiambu
 Phone: 0715349938
 E-mail: kamondo.secschool @yahoo.com

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks

- Name of Bank: Family Bank
 Branch: Kiambu
 Account Number: 001000008032 (Operation A/C)
- Name of Bank: Family Bank
 Branch: Kiambu
 Account Number: 001000014068 (PTA A/C)
- Name of Bank: Family Bank
 Branch: Kiambu
 Account Number: 001000027232 (Infrastructure4 A/C)
- Name of Bank: Co-operative Bank
 Branch: Kiambu
 Account Number: 01139063095800 (Tuition A/C)
- MPESA Pay Bill No. **222115** attached to 001000014068(PTA A/C)



Independent Auditors

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



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:

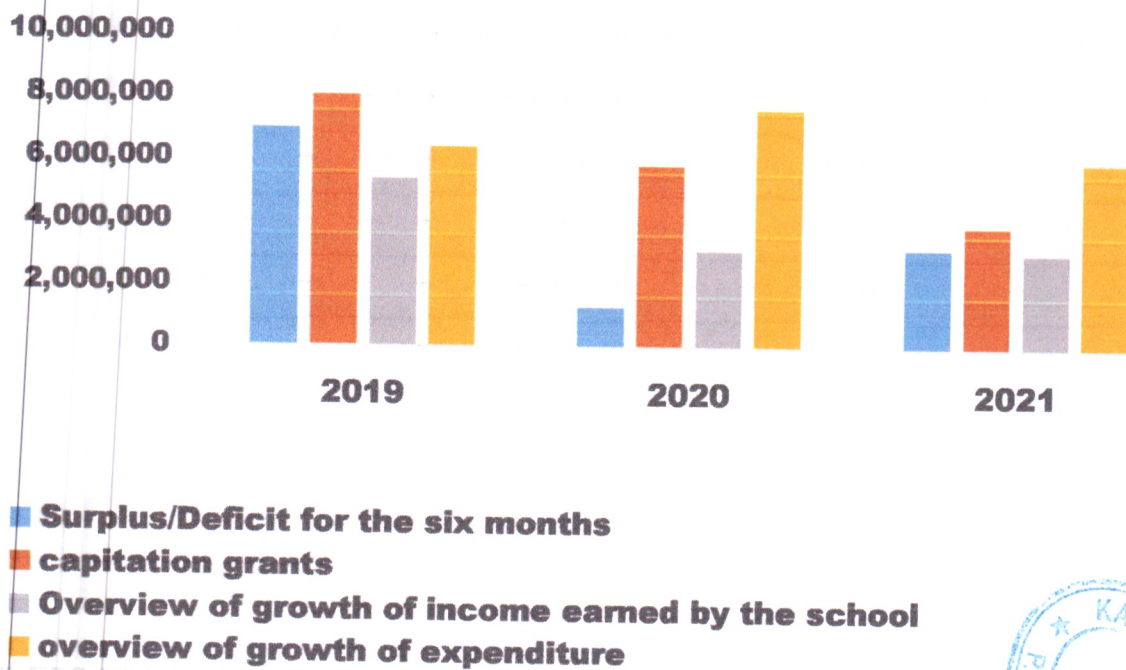
a) **Financial performance:**

DETAILS	JAN-JUNE 2021	2020	2019
Surplus/Deficit for the year	3,185,358.00	1,285,183.00	6,991,349.00
Capitation grants	3,885,298.00	5,815,342.00	8,021,953.00
Ratio of capitation grant per student	1: 9570	1: 13,946	1: 18,743
Overview of growth of other income earned by the school	3,052,924.00	3,106,612.00	5,363,251.00
Overview of growth in expenditure of the school	3,752,864	7,636,771.00	6,393,854.00
Movement of debtors of the school	4,243,086.00	3,759,341.00	3,113,299.00
Movement of creditors of the school	338,458.00	2,657,638.00	3,424,416.00
Movement of cash balances	106,349.00	12,133.00	36,944.00
Movement of bank balances	297,793.00	9,576.00	112,402.00

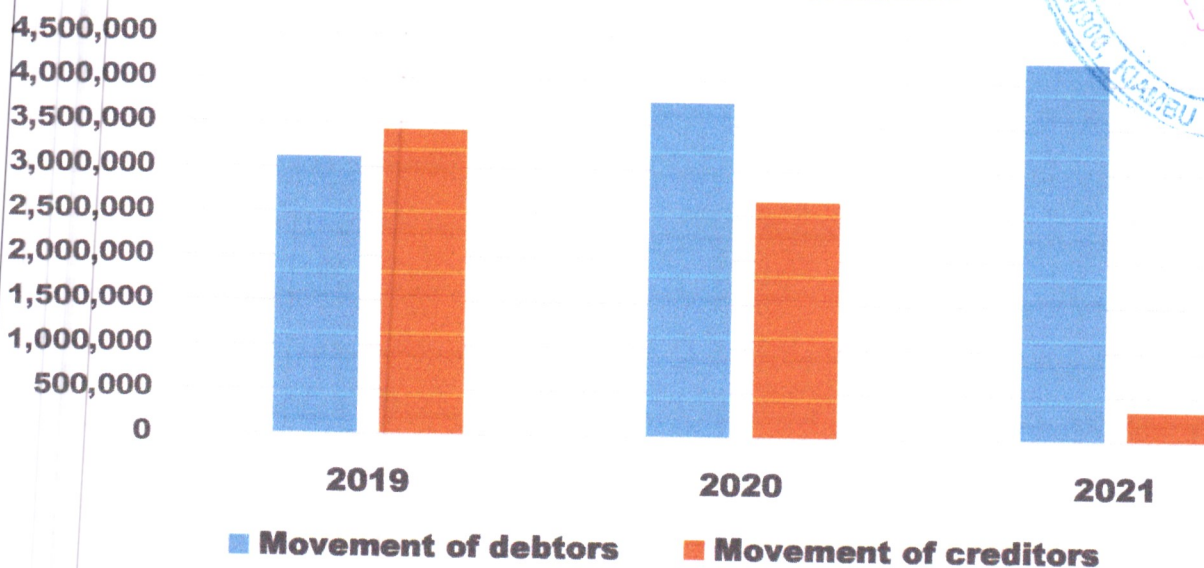


GRAPHICAL PRESENTATION OF FINANCIAL PERFORMANCE.

Trends on the behaviour of surplus/deficits, capitation grants, Income and Expenditure for the periods

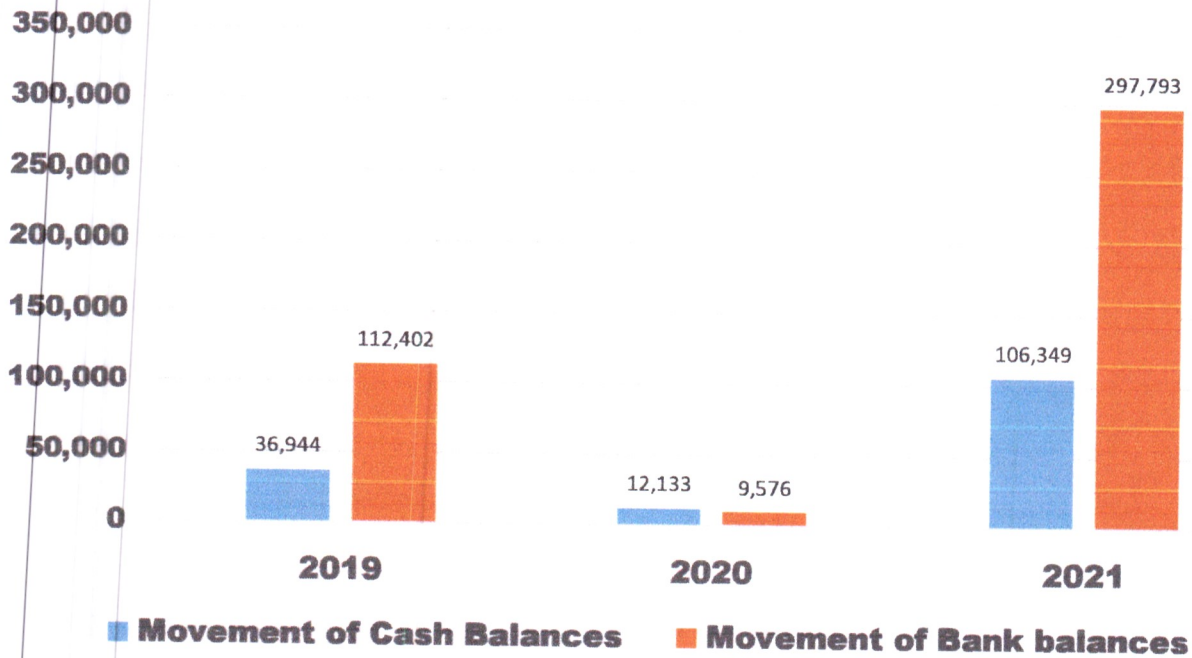


Movement of debtors and creditors



KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED 30TH JUNE 2021

Movement of Cash and Bank balances



b) TEACHER STUDENT RATIO:

- The teacher to student ratio as at 30th June 2021 was **1:18**
- One teacher was recruited and another one posted within this period.
- The teachers in Each subject were as follows

SUBJECT	NO OF TEACHERS
MATHEMATICS	5
ENGLISH	4
KISWAHILI	2
BIOLOGY	3
CHEMISTRY	5
PHYSICS	3
GEOGRAPHY	2
HISTORY & GOVERNMENT	2
CRE	4
BUSINESS STUDIES	2
AGRICULTURE	3
PHYSICAL EDUCATION	0



MEAN SCORE IN THE 2021 KCSE:

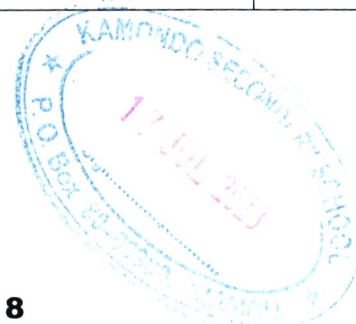
	2021	2020	2019
MEAN SCORE	-	3.0787	3.44
COMMENTS	-	The school attained mean score was below the school target mean of 3.5	The school met the mean score target. The target was 3.0
STUDENTS ADMITTED TO UNIVERSITIES	-	3	9
STUDENTS ADMITTED TO COLLEGES	-	22	24
STUDENTS ADMITTED TO VOCATIONAL/TECHNICAL INSTITUTION	-	20	18

d) NUMBER OF CANDIDATES IN THE 2021 KCSE:

YEAR	NO OF CANDIDATES
2021	104
2020	89
2019	104

e) CAPACITY OF THE SCHOOL:

NO OF STUDENTS	FACILITY	NO OF FACILITIES
380	Classroom	8
	Laboratory	1
	Dining Hall	1
	Kitchen	1
	Toilets	16
	Washing points	2 (18 taps)
	Water source	1



f) DEVELOPMENT PROJECTS CARRIED OUT BY THE SCHOOL:

<i>PROJECTS</i>	<i>SOURCE OF FUNDS</i>	<i>STATUS</i> <i>(KSHS.)</i>	<i>INITIAL COST</i> <i>(KSHS.)</i>	<i>AMOUNT SPENT</i> <i>(KSHS)</i>	<i>EXPECTED COMPLETION TIME</i>
Construction of one classroom	Ministry of Education(M.O.E)	Complete	980,000.00	1,125,920.00	30 th June 2021
Completion of girl's ablution block	Ministry of Education(M.O.E)	Complete	200,000.00	292,042.00	30 th June 2021
Repairs of students lockers and chairs	Ministry of Education(M.O.E)	Complete	150,000.00	344,500.00	30 th June 2021

PRINCIPAL
KAMONDO SEC. SCHOOL
P. O. Box 80 - 00900
KIAMBU

Sign.....*blu*.....DATE.....

School principal

Name.....*VIRGINIA MUI*.....



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 *Kamondo 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: JAMES MACHARIA
Designation: Chairman, Board of Management
Sign:
Date: 26/6/2023

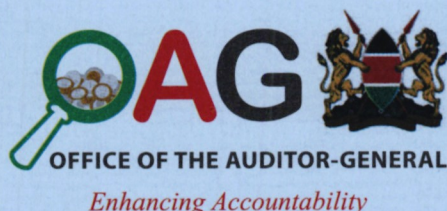
Name: VIRGINIA M.MULI
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 26/6/2023

Name: JOHN NJOROGE WAWERU
Designation: Bursar/ Finance Officer
Sign:
Date: 26/6/2023



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAMONDO SECONDARY SCHOOL FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2021 – KIAMBU COUNTY

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, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal control, 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 Kamondo Secondary School – Kiambu County set out on pages 12 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and

Report of the Auditor-General on Kamondo Secondary School for the Six Months ended 30 June, 2021- Kiambu County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kamondo Secondary School – Kiambu County 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 Public Finance Management Act, 2012 and Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements of the School for the six months period revealed the following inaccuracies:

- i. The statement of budgeted versus actual amounts reflect fees charged on parents amounting to Kshs.2,174,802 and Kshs.375,607 in respect of lunch programme and uniforms respectively, under the actual on comparable basis column, all totalling to Kshs.2,550,409. However, the statement of receipts and payments reflect school fund income - parents contribution amounting to Kshs.3,052,924 resulting in an unexplained variance of Kshs.502,515.
- ii. The statement of budgeted versus actual amounts reflect total actual on comparable basis amounts of Kshs.391,860, Kshs.3,183,493 and Kshs.2,348,511 in respect of expenditure for tuition, payments for operations and boarding and school fund payments. However, the statement of receipts and payments reflects payments amounting to Kshs.527,685, Kshs.2,740,130 and Kshs.485,049 respectively resulting to an unexplained and an unreconciled variances of Kshs.135,825, Kshs.443,363 and Kshs.1,863,462.
- iii. The statement of budgeted versus actual amounts reflect total payments under actual on comparable basis and budget utilization difference columns amounting to Kshs.5,928,562 and Kshs.1,921,736 respectively. However, the recomputed amounts for actual on comparable basis and budget utilization difference were Kshs.5,923,864 and Kshs.1,926,434 respectively, resulting in an unreconciled variance of Kshs.4,698.
- iv. The statement of financial assets and financial liabilities reflects fund balance brought forward of Kshs.1,123,412 and negative Kshs.161,771 in respect of 2020/2021 and 2019/2020 financial years respectively. However, Note 12 to the financial statements reflects fund balance brought forward of Kshs.4,308,770 and

Report of the Auditor-General on Kamondo Secondary School for the Six Months ended 30 June, 2021- Kiambu County

Kshs.1,123,412 in respect of 2020/2021 and 2019/2020 financial years respectively. The resultant variances were not explained or reconciled.

- v. The statement of receipts and payments reflects school fund payments amounting to Kshs.485,049. However, supporting schedule and journals were not provided for review. Further, a disclosure in Note 6 to the financial statements reflect an amount of Kshs.1,868,160 in respect of previous periods creditors paid during the period under review not charged to the school fund payments hence misstating the expenditure by a similar amount.
- vi. The statement of receipts and payments reflects expenditure on operations amounting to Kshs.2,740,130. However, a disclosure in Note 5 to the financial statements reflects an amount of Kshs.329,091 which relates to creditors paid during the year under review not charged to the administration costs hence misstating payments for operations.
- vii. Amounts in the statement of cash flows differs with the statement of receipts and payments as detailed below:

Description	Statement of Cash Flows (Kshs)	Note	Statement of Receipts and Payments (Kshs)	Variance (Kshs)
Capitation grants for operations	3,737,118	2	3,352,586	384,531
School fund income-Parents contribution	3,239,518	3	3,052,924	186,594
Payment for operations	2,154,758	5	2,740,130	585,372
School fund payments	3,111,794	6	485,049	2,626,745

In addition, the statement of cash flows was not supported with schedules for the cash receipts and payments during the period under review.

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

2. Unsupported Parents Contribution-School Fund Account Receipts

The statement of receipts and payments reflects school fund income - parents contribution totalling Kshs.3,052,924. As disclosed in Note 3 to the financial statements, the amount includes lunch program and uniform amounting to Kshs.2,677,317 and Kshs.375,607 respectively. However, the school fund account receipts were not supported by a schedule of receipts, receipt books and fees register. Further, Management indicated that an amount of Kshs.1,868,160 relating to creditors paid during the year under review were adjusted to lunch programme receipts of Kshs.4,042,962 hence understating the school fund receipts.

In the circumstances, the accuracy and completeness of the parents contribution-school fund account receipts amounting to Kshs.3,052,924 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities and Note 10 to the financial statements reflects accounts receivables balance of Kshs.4,243,086. The amount which includes fees arrears from students, salary advances and imprests balances of Kshs.4,187,586, Kshs.35,500 and Kshs.20,000 respectively. However, review of the debtor's ledger revealed a fee balance of Kshs.3,691,271 which had been outstanding for more than two years with some dating back to 2016. Further, debtors listing for students with school fees arrears and an approved debtors policy by the Board of Management were not provided for audit review.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables amounting to of Kshs.3,691,271 could not be confirmed.

4. Unsupported Payment for Activity Fees

The statement of receipts and payments reflects payments for operations amounting to Kshs.2,740,130. As disclosed in Note 5 to the financial statements, the amount includes activity payments of Kshs.263,000. Review of payment vouchers and supporting documents provided for audit revealed that the payments were made to Githunguri Sub County Secondary School Heads Association for activity fees. However, the payments were made without an invoice. Further, laws and policies approving the activity fees the applicable rates were not provided for review.

In the circumstances, the occurrence of the payments for operations expenditure of Kshs.263,000 could not be confirmed.

5. Cash and Cash Equivalents

5.1. Unreconciled Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.404,141. As disclosed in Note 8 to the financial statements, the balance includes cash balance of Kshs.106,349. However, board of survey report confirming the cashbook balances as at 30 June, 2021 for all the bank accounts was not provided for audit review. Further, Note 7 to the financial statements reflects bank balances of Kshs.297,793 which includes savings account balance of Kshs.7,496. However, the balance was not supported by a bank statement, cash book, bank reconciliation statement and a certificate of bank balance.

5.2. Unaccounted for Cash Withdrawals

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.404,141. Review of cash book and bank statements revealed cash withdrawals amounting to Kshs.445,500 made from operations account during the year under review. However, a memorandum cash book was not maintained

Report of the Auditor-General on Kamondo Secondary School for the Six Months ended 30 June, 2021- Kiambu County

to account for the cash withdrawals, and the cash expenditures were not supported by cash sale receipts, invoices and other relevant documents.

In addition,, the school did not have a cash management policy approved by the Board of Management to manage the use of cash and issue of standing imprests. Further, there were no formal requests from the School Principal for the cash withdrawals and no approved threshold limit was set for the cash withdrawals.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.404,141 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kamondo Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Underfunding of Capitation Grants

During the six months period under review, the School's approved budgeted revenue from operations capitation grants was Kshs.4,661,806 while that from tuition capitation grants was Kshs.723,415. However, the actual grants received by the School from the Ministry of Education was Kshs.3,352,586 and Kshs.532,712 respectively, resulting in underfunding totalling to Kshs.1,499,923.

The underfunding affected the planned activities of the School and may have impacted negatively on service delivery to the learners.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

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

However, Management presented the annual report and financial statements covering six months for financial year 2020-2021 with comparative balances for financial year 2019-2020. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed the Public Sector Accounting Standards Board (PSASB).

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

In the circumstances, Management was in the breach of the financial reporting guidelines.

2. Unaccounted for Textbooks

Review of inventory records revealed that 8,653 textbooks for the eleven (11) subjects across all classes purchased in 2018 were distributed to students as indicated in receipts and issue register maintained at the School. However, a textbooks listing provided for audit review reflected a total of 5,367 textbooks which could not be unaccounted for, representing 62% of the total textbooks acquired by the School. The above state impacts negatively on the Ministry of Education target of 1:1 textbook to student ratio across all subjects. Further, an interview with the Stores Officer revealed that the loss of textbooks was occasioned by theft through burglary and pilferage by students.

Management did demonstrate measures which have been put in place to ensure lost textbooks are recovered and policies on management of textbooks to minimize loss of textbooks. This was contrary to Regulation 139. (1) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer of a National Government entity to take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage, and misuse.

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

3. Irregular Payment of Travelling and Subsistence Allowances

The statement of receipts and payments reflects payments for operations amounting to Kshs.2,740,130 as disclosed in Note 5 to the financial statements which includes local transport and travel allowance amounting to Kshs.217,350. However, review of payment vouchers and supporting documents provided for audit revealed the following anomalies;

- i. There were no imprest registers maintained to record imprest issued, amounts paid and purpose of the imprests.
- ii. Imprest warrants were not attached to the respective surrender vouchers therefore it could not be confirmed if the imprests were applied for, and approved by the authorizing officers.
- iii. The rates used for issue of travelling and subsistence allowances were not approved.
- iv. Attendance registers for workshops, conferences and training activities, and documents showing that the officers travelled and participated in events they were facilitated for, were not provided for review.

In the circumstances, the value for money on the expenditure of Kshs.217,350 on transport and travelling allowance could not be confirmed.

4. Irregular Payment for Security Services

The statement of receipts and payments reflects payments for operations amounting to Kshs.2,740,130. A disclosed in Note 5 to the financial statements, the amount includes Kshs.732,190 incurred on personnel emoluments, out of which, Ksh.180,000 was paid to a local security firm. However, review of payment vouchers and supporting documents provided for audit revealed that the contract with the firm expired in 2019 and was yet to be renewed. Further, there was no record of a new security firm having been engaged thus, the existing security firm continued to provide the services without a valid contract.

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

5. Weaknesses in Tender Opening Proceedings

Review of the procurement files revealed that the School did not maintain a tender opening register for tenders advertised during the period under review, as required by Section (8) of the Public Procurement and Asset Disposal Act, 2015 which provided that the Accounting Officer of a procuring entity shall, on request, provide a copy of the tender opening register to a person submitting a tender. Further, the tender opening committee did not sign tender documents, initial each page of the evaluation minutes for tenders opened and evaluated during the period under review as required by the Section (9) of the Public Procurement and Asset Disposal Act, 2015.

In addition, the minutes of tender opening were signed on 21 December 2022 by the chairman and the secretary almost one year after the tender was opened contrary to Section (11) of the Public Procurement and Asset Disposal Act, 2015.

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

6. Unjustified Direct Procurement of Goods and Services

During the period under review, Management incurred Kshs.1,345,228 in respect of acquisition of assets. Review of project files revealed that a new classroom was constructed at a cost of Kshs.996,000, funded by Ministry of Education, using labour contracting. However, building materials worth Kshs.659,830 and labour services costing of Kshs.216,996 were procured directly instead of using competitive procurement methods. This was contrary to the provisions of Section 103 of the Public Procurement and Asset Disposal Act, 2015 on when direct procurement may be used.

Further, the prior approval of the accounting officer to use the direct procurement method was not provided contrary to Regulation 90(6) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that any direct procurement shall require the prior approval by the accounting officer in writing.

In addition, no progress reports by the sub county works officer were provided to indicate the works were inspected before payments were made. Similarly, inspection and acceptance committee minutes for goods supplied and works undertaken, bills of quantity and project implementation status report were not provided for audit review.

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

7. Irregularities in Accounting for Capitation Grants

During the period under review, the School received capitation grants amounting to Kshs.3,885,298 from the Ministry of Education. However, Management did not acknowledge receipt of the funds by having individual students sign forms that indicate their admission numbers and full names as per admission register and the amount awarded. This was contrary to the Ministry of Education circular dated 8 January 2021 which instructed Principals to acknowledge receipt of funds to County Education offices through the Sub - County Director of Education an allocation of funds duly signed by individual students.

In the circumstances, Management was in breach of the funding guidelines.

8. Lack of School Improvement Plan

During the period under review, the school did not have a school improvement plan as required by the Ministry of Education operations manual for utilization of learner capitation grant and other school funds. This was contrary to the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds under Section 2.2 School Improvement Planning that requires the school to identify in every 3-year

Report of the Auditor-General on Kamondo Secondary School for the Six Months ended 30 June, 2021- Kiambu County

school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Weaknesses in Revenue Collection and Management

Review of system controls relating to School Accounting System for revenue collection and expenditure system revealed that the entire process of revenue collection and receipting and expenditure was assigned to one individual, without approval. The assigned functions and responsibilities did not incorporate controls such as segregation of duties, independent checks, approval and authorization thus exposing the School to loss of revenue, inaccurate and incomplete records in revenue reporting.

In the circumstances, the existence of effectiveness internal controls in revenue management 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 and as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the School or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 October, 2023

V. STATEMENT OF RECEIPTS AND PAYMENTS

DESCRIPTION OF VOTEHEAD	NOTE	JAN-JUNE 2021	2020
RECEIPTS		KSH	KSH
Capitation grants for Tuition	1	532,712	798,417
Capitation grants for Operations	2	3,352,586	5,016,925
School Fund income-parents contribution	3	3,052,924	3,106,612
TOTAL RECEIPTS		6,938,222	8,921,954
PAYMENTS			
Payments for Tuition	4	527,685	291,515
Payments for Operations	5	2,740,130	4,950,097
School Fund Payments	6	485,049	2,395,159
TOTAL PAYMENTS		3,752,864	7,636,771
SURPLUS/DEFICIT		3,185,358	1,285,183.00

The school financial statements were approved on _____ 2023 and signed by:

Name: JAMES MACHARIA
Designation: Chairman, Board of Management
Sign:
Date: 26/6/2023
Name: VIRGINIA M. MULI

Designation: School Principal/Secretary to Board of Management
Sign:
Date: 26/6/23

B.O.M. SECRETARY
 KAMONDO SECONDARY SCHOOL
 P. O. Box 80-00900 KIAMBUI
 Date:

Name: JOHN NJOROGE WAWERU
Designation: Bursar/ Finance Officer
Sign:
Date: 26/6/2023



VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

		JAN-JUNE 2021	2020
FINANCIAL ASSETS	NOTE	KSHS	KSHS
Cash & Cash equivalents			
Bank Balances	7	297,793	12,133
Cash Balances	8	106,349	9,576
Total Cash and Cash Equivalents		<u>404,142</u>	<u>21,709</u>
Account Receivables	10	4,243,086	3,759,341
Total Financial Assets		<u>4,647,228</u>	<u>3,781,050</u>
FINANCIAL LIABILITIES			
Accounts Payables	11	338,458	2,657,638
NET FINANCIAL ASSETS		<u>4,308,770</u>	<u>1,123,412</u>
REPRESENTED BY			
Fund Balance B/F January 2021	12	1,123,412	(161,771)
Surplus/Deficit for the six months		3,185,358	1,285,183
NET FINANCIAL POSITION		<u>4,308,770</u>	<u>1,123,412</u>

Name: James Malhevia

Name: VIRGINIA MULI

Name: JOHN WANGRU

Designation: Chairman, Board of Management

Designation: School Principal /Secretary to Board of Management

Designation: Bursar/ Finance Officer

Sign: [Signature]

Sign: [Signature]

Sign: [Signature]

Date: 26/6/2023

Date: 26/6/2023

Date: 26/6/2023



VII. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS		KSHS.	KSHS.
		JAN-JUNE	
RECEIPTS FOR OPERATING INCOME	Note	2021	2020
Capitation grants for Tuition	1	532,712	798,417
Capitation grants for Operations		3,737,118	5,189,684
School Fund income-Parents contribution/fees		3,239,518	2,748,099
Total receipts		7,509,348	8,736,200
PAYMENTS			
Payments for Tuition		515,135	811,786
Payments for Operations		2,154,758	3,926,165
School Fund payments		3,111,794	2,749,148
Total payments		5,781,687	7,487,099
Net cash flow from operating activities		<u>1,727,661</u>	<u>1,249,101</u>
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of assets		-	-
Acquisition of an asset		1,345,228.00	1,376,738.00
Net cash flow from investing activities		<u>1,345,228.00</u>	<u>1,376,738.00</u>
NET CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from Financing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		382,433	(127,637)
Cash and cash equivalent at the beginning of the year		21,709	149,346
cash and cash equivalent at the End of the year		404,142	21,709



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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Text books	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipments and apparatus	263,465	-	263,465	263,465	-	100%
Teaching/learning materials	-	-	-	-	-	-
chalks	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
reference/Library materials	269,247.00	-	269,247	269,247	-	100.0%
(2) CAPITATION GRANT ON OPERATIONS					-	
Personnel emoluments	957,819	-	957,819	957,819	-	100%
Repairs and maintenance	1,459,500	-	1,459,500	1,459,500	-	100%
Local transport / travelling	300,850	-	300,850	300,850	-	100%
Electricity and water	148,629	-	148,629	148,629	-	100%
Medical	40,600	-	40,600	40,600	-	100%
Administration costs	445,188	-	445,188	445,188	-	100%
Insurance	-	-	-	-	-	-
Activity	-	-	-	-	-	-
(3) FEES CHARGED ON PARENTS					-	
lunch programme	3,565,000	-	3,565,000	2,174,802	1,390,198.00	61%

KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED 30TH JUNE 2021

Uniform	400,000	-	400,000	375,607	24,393	94%
TOTAL INCOME	7,850,298	-	7,850,298	6,435,707	1,414,591.00	83%
(1) EXPENDITURE FOR TUITION						
Text books	-	-	-	-	-	-
Exercise books	-	-	-	150,000	150,000	-100%
Laboratory equipment and apparatus	263,465	-	263,465	165,000	98,465	67%
Teaching/learning materials	-	-	-	39,500	(39,500)	-100%
chalks	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Reference books	269,247.00	-	269,247	37,000	232,247	14%
Bank charges	-	-	-	360	(360)	-100.0%
PAYMENTS FOR OPERATIONS						
Personnel emoluments	957,819	-	957,819	732,190	225,629.00	76%
Repairs and maintenance	1,459,500	-	1,459,500	1,459,500	-	100%
Local transport / travelling	300,850	-	300,850	217,350	83,500.00	72%
Electricity and water	148,629	-	148,629	65,000	83,629.00	44%
Medical	40,600	-	40,600	-	40,600.00	0%
Administration costs	445,188	-	445,188	446,453	1,265.00	100%
Insurance	-	-	-	-	-	-
Activity	-	-	-	263,000	(263,000)	-100%

KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED 30TH JUNE 2021

BOARDING AND SCHOOL FUND PAYMENTS						
lunch programme	3,565,000	-	3,565,000	1,992,201	1,572,799	56%
Uniform	400,000	-	400,000	356,310	43,690	89%
TOTAL	7,850,298	-	7,850,298	5,928,562	1,921,736	75%

NARRATION

The medical capitation was not utilized that is why it has a 0% utilisation



SIGNIFICANT ACCOUNTING POLICIES

The principle 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 adopted for the first time.

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* recognizes all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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



5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements. However in our financial reports and statement we have no any non-current assets.

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 comparative amounts may not be comparable as a result of first adoption of IPSAS cash.

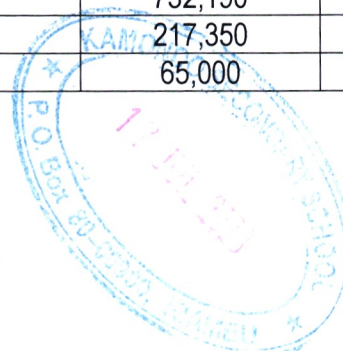
10. Subsequent events

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



X NOTES TO THE FINANCIAL STATEMENTS

1	CAPITATION GRANT FOR TUITION	JAN-JUNE 2021	2020
		KSHS	KSHS
	Lab chemicals & equipment	263,465	-
	Reference/library materials	269,247	798,417
	TOTAL	<u>532,712</u>	<u>798,417</u>
2	CAPITATION GRANTS FOR OPERATION		
	Administration Costs	445,188	419,650
	Personnel Emoluments	957,819	1,767,000
	Infrastructure account	1,459,500	1,924,500
	Local Transport & Travel (LT&T)	300,850	386,100
	Electricity, Water and Conservancy (EWC)	148,629	202,275
	Activity	-	171,600
	Medical	40,600	85,800
	BOM teachers covid-19 cushion fund	-	60,000
	TOTAL	<u>3,352,586</u>	<u>5,016,925</u>
3	PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT		
	Lunch program	2,677,317	2,531,969
	Uniform	375,607	574,643
	TOTAL	<u>3,052,924</u>	<u>3,106,612</u>
4	PAYMENTS FOR TUITION		
	Exercise books	150,000	-
	Lab chemicals & equipment	264,550	43,000
	Teaching /learning materials	39,500	-
	Ref/library materials	73,275	223,275
	Bank charges	360	240
	Exams & assessment	-	25,000
	TOTAL	<u>527,685</u>	<u>291,515.00</u>
5	PAYMENTS FOR OPERATIONS		
	Administration costs((adjustment done in trial bal less creditors paid but not adjusted *329,091)	117,362	406,704
	Personnel Emoluments	732,190	1,325,066
	Local transport & Travel (LT&T)	217,350	372,000
	Electricity, Water & Conservancy	65,000	106,970

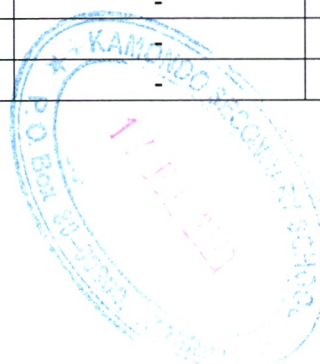


KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED
30TH JUNE 2021

	Repair & Improvement works	-	487,010
	Activity	263,000.00	653,034
	Medical & insurance	-	109,755
	Acquisition of assets	1,345,228.00	1,376,738
	Covid 19 equipment	-	52,820
	BOM teachers covid-19 cushion fund	-	60,000
	TOTAL	<u>2,740,130</u>	<u>4,950,097</u>
6	SCHOOL FUND PAYMENTS		
	Lunch program (adjustment done in trial bal less creditors paid but not adjusted *1,868,160)	124,041	1,426,254
	Uniform	356,310.00	809,430
	Kitchen improvement	-	32,960
	Personnel emoluments	-	115,089
	Bank charges	4,698.00	11,426
	TOTAL	<u>485,049</u>	<u>2,395,159</u>

7	BANK ACCOUNTS	NAME OF BANK	ACCOUNT NO	2021	2020
	ACCOUNT			KSHS.	KSHS.
	Operation a/c	Family bank	001000008032	88,998.82	3,118.68
	School fund a/c	Family bank	001000014068	87,191.19	(3,268.81)
	Tuition a/c	Co-operative bank	01139063095800	18,974.15	1,397.65
	Infrastructure a/c	Family bank	001000027232	95,132.37	3,389.37
	Savings a/c	Family bank	00049528	7,496.00	7,496.00
	TOTAL			<u>297,793</u>	<u>12,133</u>
8	CASH IN HAND				
	Operation a/c			38,079.00	1,099.00
	School fund a/c			41,860.00	4,596.00
	Tuition a/c			-	-
	Infrastructure a/c			26,410.00	3,881.00
	TOTAL			<u>106,349.00</u>	<u>9,576.00</u>

9	SHORT TERM INVESTMENTS	2021 JAN-JUNE	2020
	Description	-	-
	Cooperative shares	-	-
	Treasury Bills	-	-
	Fixed deposits	-	-
	Equity stock	-	-
	Other investments	-	-



KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED
30TH JUNE 2021

	TOTAL	-	-
10	ACCOUNTS RECEIVABLE	KSHS.	KSHS.
	DESCRIPTION	2021	2020
	Fees arrears	4,187,586	3,718,841
	Salary advances	35,500	40,500
	Imprest	20,000	-
	TOTAL	<u>4,243,086</u>	<u>3,759,341</u>
	AGING OF FEES FEES ARREARS		
	Fees arrears for the current year	496,315	798,026
	Fees arrears recovered during the year	-	-
	Fees arrears for the previous year	770,456	170,384
	Fees arrears for prior period(over 2 Yrs)	2,920,815	2,750,431
	TOTAL	<u>4,187,586</u>	<u>3,718,841</u>
11	ACCOUNTS PAYABLE		
	DESCRIPTION		
	Trade creditors	135,825	2,507,290
	Prepaid fees	58,485	6,200
	Caution money	144,148	144,148
	TOTAL	<u>338,458</u>	<u>2,657,638</u>
	AGING OF CREDITORS ARREARS		
	Trade creditors for current year	135,825	310,039
	Trade creditors paid during the year	-	-
	Trade creditors for previous year	-	-
	Trade creditors for prior period(over 2 Yrs)	2,197,251	2,197,251
	LESS: creditors paid but not adjusted (Operations a/c 329,091,school fund account 1,868,160)	(2,197,251)	-
		<u>135,825</u>	<u>2,507,290</u>
12	FUND BALANCE BROUGHT FORWARD		
	DESCRIPTION		
	Bank balances	297,793	9,576.00
	Cash balances	106,349.00	12,132.89
	Receivables	4,243,086.00	3,759,341.00
	Payables	(338,458.00)	(2,657,638.00)
	TOTAL	<u>4,308,770</u>	<u>1,123,411.89</u>

KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED
30TH JUNE 2021

13	NON-CURRENT LIABILITIES		
	Description	-	-
	Bank loan	-	-
	Outstanding leases	-	-
	Hire purchase	-	-
	Gratuity and leave provision	-	-
	Total	-	-
14	BIOLOGICAL ASSETS		
	Trees(243 in number	530,000.00	515,200.00
	TOTAL	<u>530,000.00</u>	<u>515,200.00</u>
15	Borrowings		
	Description		
	a) Borrowing at the beginning of the year	-	-
	Borrowing during the year	-	-
	Repayments of borrowing during the year	-	-
	Balance at the end of the year	-	-
16	Stock/inventory		

S/N	ITEM	BALANCE AS AT DEC 2020	NUMBER RECEIVED	NUMBER ISSUED	BALANCE AS AT 30TH JUNE 2021
1	PRINTING PAPERS	50 REAMS	117REAMS	84REAMS	33REAMS
2	EXERCISE BOOKS A4 SIZE	8 CARTONS	15CARTONS	10CARTONS	13CARTONS
3	GRAPH BOOKS		12DOZENS	NONE	1 CARTON
4	FOOLSCAPS	35REAMS	NONE	33REAMS	2 REAMS
5	GRAPH PAPERS	5REAMS	5REAMS	4REAMS	6 REAMS
6	RED PEN	50PCS	3PKTS	2pkts	2pkts
7	BLUE PEN	60PCS	4PKTS	3pkts	1 pkt
8	BLACK PEN	20PCS	2PKTS	2 pkts	20PCS
9	PENCIL	1PKT	2PKTS	1PKT	2PKTS
10	PERMANENT MARK PEN	2PKTS	3PKTS	5PKTS	0
11	WHITE BOARD MARK PEN	1PKT	2PKT	3PKTS	0
12	STAPLER	0	1PC	1PC	0
13	STAPLE PINS	2PKTS	1pkt	1/2	1/2pkt
16	COUNTER BOOK 2 QUIRE	10pcs	16	10pcs	16PCS
17	BOX FILES	8PCS	10PCS	15PCS	3PCS
18	SPRING FILES	60PCS	12PCS	48PCS	4PCS
19	MANILLA PAPERS	-	30PCS	-	30 PCS
20	BLACK BOARD DUSTERS	-	20PCS	5	15PCS
21	A4 ENVELOPES		1 CARTON		1 CARTON
22	A5 ENVELOPES	1 CARTON	-	½ ctn	½ CARTON



KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED
30TH JUNE 2021

23	DL SIZE ENVELOPES	1CARTON	1 carton	1 carton	1 CARTON
24	WHITE DUSTLESS CHALK	15GROSSES	-	8GROSSES	7 GROSSES
25	COLOURED CHALK	-	1 GROSS	NONE	1 GROSS
26	WHITE OUT	14PCS	NONE	11PCS	3PCS
29	GLUE STICK	4PCS	12PCS	12PCS	4pcs
30	OFFICE GLUE	-	1 KG	1KG	-
31	STUDENTS FILES	50PCS	NONE	NONE	50PCS
32	RULERS	-	20PCS	14PCS	6PCS
33	3 QUIRE COUNTER BOOK	18PCS	NONE	18PCS	-
34	CELLOTAPE	-	2 DOZENS	18PCS	6PCS
37	CLARIUM PHOTO PAPER	-	1 REAM	1 REAM	-

FOOD INVENTORY AS AT JAN - JUNE 2021

S/N	ITEM	UNIT	BALANCE A AS AT 31 ST DEC 2020	NUMBER RECEIVED	NUMBER ISSUED	BALANCE AS AT 30TH JUNE 2021
1	maize flour	kgs	0	1280	1175	105
2	uji mix	kgs	5	642	614	28
3	sugar	kgs	1	645	549	96
4	wheat flour	kgs	0	136	112	24
5	rice	kgs	0	2121	1893	228
6	dry maize	kgs	10	1440	1331	109
7	beans	kgs	0	2374	2184	190
8	yellow beans	kgs	0	185	122	63
9	tea leaves	pkts	0	25	20	5
10	salt	kgs	0	125	118	7
11	bar soap	bar	0	28	26	2
12	cooking oil	ltrs	1	266	266	0
13	serviette	pkts	1	20	18	2
14	tissue	bale	4	60	55	5
15	matchbox	pkts	0	30	28	2
16	scrubbers	pcs	0	40	40	0
17	super brite	pcs	2	50	45	5
18	jik	pcs	0	16	16	0
19	vim	pcs	1	8	6	2

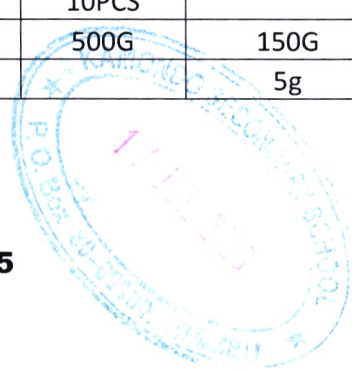
LAB INVENTORY AS AT 30TH JUNE 2021

S/N	ITEMS	BALANCE AT DEC 2020	NO. RECEIVED	NO. ISSUED	BALANCE AT 30TH JUNE 2021
1	CLONICAL FLASK	20PCS	20PCS	10PCS	30PCS
2	VOLUMETRIC FLASK	80PCS		30PCS	50PCS
3	TESTTUBE HOLDER	62PCS		40PCS	22PCS
4	TEST TUBES	400PCS		200PCS	200PCS
5	BURETTES	62PCS	5PCS		67PCS
6	SPATULA	83PCS			83PCS
7	BUNSEN BURNER	10PCS			10PCS



KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED
30TH JUNE 2021

8	CANSTERS	10PCS		9PCS	1PC
9	MICROSCOPES	4PCS			4PCS
10	BOSS AND CLAMPS	70PCS	40PCS	30PCS	80PCS
11	BURETTE CLIPS	10PCS	60PCS		70PCS
12	DROPPERS	31PCS	30PCS		61PCS
13	THERMOMETERS	50PCS		5PCS	75PCS
14	BOILING TUBES	125PCS		50PCS	75PCS
15	WASH BOTTLES	62PCS			62PCS
16	TEST TUBES RACKS	54PCS	15PCS		69PCS
17	BEAKERS 100ML(GLASS)	100PCS			100PCS
18	BEAKERS 100ML(PLASTIC)	120PCS			120PCS
19	MEASURING CYLINDER	35PCS			35PCS
20	AMMETERS	23PCS			23PCS
21	VOLMETERS	20PCS			20PCS
22	CALVONOMETERS	10PCS			10PCS
23	SWITCHES	30PCS			30PCS
24	JOCKEYS	29PCS			29PCS
25	PLAIN WHITE SCREEN	14PCS			14PCS
26	SCREEN WITH CROSS WIRES	14PCS			14PCS
27	MAGNETIC COMPASS	10PCS			10PCS
28	STOP WATCHES	39PCS	20PCS		59PCS
29	LENS HOLDERS	40PCS			40PCS
30	RHEOSTATS	10PCS			10PCS
31	CALORIMETER	5PCS			5PCS
32	STOPPERED CONTAINERS	40PCS			40PCS
33	MICROMETER SCREWGUAGE	31PCS			31PCS
34	CAPACITORS	14PCS			14PCS
35	OPTICAL PINS	40PCS			40PCS
36	SPRING BALANCES	25PCS			25PCS
37	CARDBOARDS	22PCS			22PCS
38	WOODEN BLOCKS	20PCS			20PCS
39	TROLLY	2PCS			2PCS
40	VERNIER CALLIPERS	10PCS	5PCS		15PCS
41	ELECTROSCOPE	5PCS			5PCS
42	PULLEYS	10PCS			10PCS
43	MORLAR AND PESTLE	40PCS			40PCS
44	PETN DISHES	75PCS			75PCS
45	HAND LENSE	40PCS			40PCS
46	WHITE TILES	31PCS	10PCS		41PCS
47	STARCH SOLUBLE	150g	500G	150G	500G
48	EGG ALBUMEN	40g		5g	35g



KAMONDO SECONDARY SCHOOL REPORTS AND FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED
30TH JUNE 2021

49	ASORBIC ACID	50g		10g	40g
50	DCPIP	10g		20g	50g
51	POTASSIUM POWDER	400g		200g	500g
52	IODINE CRYSTALS	300g		100g	500g
53	POTASSIUM IODIDE	30g		10g	50g
54	PEPSIN POWDER	2liters		1litre	5liters
55	IODINE CRYSTALS	2 1/2 litres		2litres	5 1/2 litres
56	HYDROCHLORIC ACID	2 litres		1.5litres	5 litres
57	BROMINE WATER	1/2 litres		1.5litres	5/2 litres
58	NITRIC ACID	300g		300g	500g
59	AMMONIA			100g	
60	BARIUM SULPHATE	300g		200g	600g
61	SODIUM SULPHATE	300g		300g	600g
62	SODIUM HYDROXIDE	600g		0	600g
63	SODIUM HYDROGEN CARBONATE	600g		0	600g
64	LEAD II NITRATE	500g		400g	100g
65	SODIUM THIOU SULPHATE	300g		200g	100g
66	MALEIC ACID	500g		500g	0
67	OXALIC ACID	500g		500g	0
68	BENZOIC ACID	500g		200g	300g
69	POTASSIUM CHLORIDE	300g	0	0	300g
70	POTASSIUM PERMANGANATE	500g	0	0	500g
71	POTASSIUM DICHROMATE	500g	0	0	500g
72	OXYGEN MIXTURE	400g			400g
73	SULPHUR POWDER	400g		50g	350g
74	LYCOPODIUM POWDER	500g		20g	480g
75	NEPHTHALANE CRYSTALS	500g		50g	450g



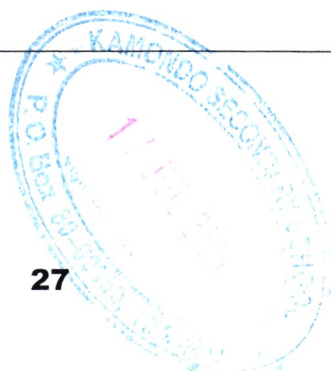
13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the internal auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issue to be resolved.

REF. NO	ISSUE/OBSERVATIONS FROM AUDITOR	MANAGEMENT COMMENTS	STATUS(Resolved/Not resolved)	TIME FRAME
1.	The management should pay trade and general creditors to avoid accumulation and possible legal action	The school has been trying to clear trade and general creditors. As at 30/06/2021 the total creditors was 338,458.This was the creditor for the six month period, therefore the creditors for 2020 was cleared.	resolved	N/A
2.	The school management should enhance recovery of fees arrears amounting to Kshs. 3,723,841.00	<ul style="list-style-type: none"> On the issue of recovery of fees arrears the management opened a pay bill account to enable those parents with huge balances to be paying fees in small amounts .This also eradicated the problem of queuing in banks by parents when depositing fees. Even though the fees arrears balances are huge. The school has been finding it difficult to collect fees since the government discourages sending students home to get fees. Also some students who completed the school with huge balances fails to come for their results. The management also summoned parents with huge balances to school to discuss on how they will strategize on clearing the fees arrears but the parents gave fake promises. 	Not resolved	30/12/2021
3.	Caution money of 144,148.00 Kshs. should be refunded back to the students	Caution money is being refunded to former students as they come to clear, although few turn up.	Not resolved	30/12/2021

Sign.....principal

B.O.M SECRETARY
 KAMONDO SECONDARY SCHOOL
 P. O. Box 80-00900 KIA WEN
 Date.....



ANNEX 1. ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or services	Original Amount	Date contracted	Amount paid To-Date	Outstanding Balance Dec 2020	Outstanding Balance June 2021	Comments
	a	b	c	d=a-c		
	Kshs.		Kshs.	Kshs.	Kshs.	
Supply of Goods						
1. kirenga Bookshop and stationers	346,550.00	Jan 2021	310,275.00	123,275.00	36,275.00	pending
2. Aspet Schools Supplies Limited	264,550.00	Jan 2021	165,000.00	-	99,550.00	Not cleared
TOTAL					<u>135,825.00</u>	



ANNEX 2-SUMMARY OF FIXED ASSETS

Asset Class	date purchased	location	number	Historical cost(kshs)	Additional during the six months period ksh	disposal during six months period ksh	historical costs c/f (kshs) 30th june 2021
Land	-	kamondo	-	-	-	-	-
Buildings & structures		kamondo					
Old buildings	-	kamondo	11	-	-	-	-
New buildings	2018-2021	kamondo	6	2,747,880	1,345,228	-	4,093,108
Office equipment, furniture & fittings	2016-2021	kamondo	-	2,647,500	-	-	2,647,500
ICT equipment and other ICT assets	2018-2021	kamondo	-	180,000	-	-	180,000
Tools & apparatus	2017-2021	kamondo	-	450,000	-	-	450,000
Text books	2018-2021	kamondo	-	350,000	-	-	350,000
Other machinery & equipment	2018-2021	kamondo	-	710,000	-	-	710,000
Intangible assets (software)	2016-2021	kamondo	3	123,000	-	-	123,000
total				7,208,380	1,345,228		8,553,608

