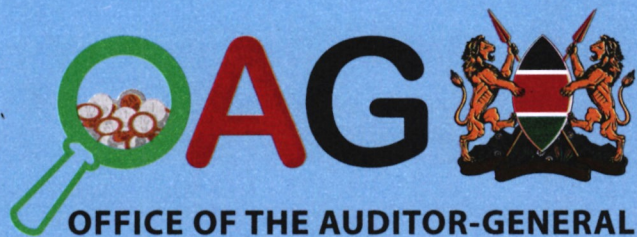


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 07 DEC 2023

TABLED  
BY:

OF

Hon Owen Baya, CBS, MP  
Deputy majority leader  
MUM

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**MASOSA MIXED SECONDARY SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**NYAMIRA COUNTY**



---

**MASOSA MIXED SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2021**

---

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

|



<b>Table of Contents</b>	<b>Page</b>
I. Key School Information And Management.....	iv
II. Summary Report Of Performance Of The School.....	viii
III. Statement Of School Management Responsibility.....	xvii
IV. Report Of The Independent Auditors .....	xviii
V. Statement Of Receipts And Payments Period To 30 <sup>th</sup> June 2021.....	1
VI. Statement Of Financial Assets And Financial Liabilities As At 30 <sup>th</sup> June 2021 .....	2
VII. Statement of Cash Flows for The Period Ended 30 <sup>th</sup> June 2021 .....	3
VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2021 .....	4
IX. Significant Accounting Policies.....	6
X. Notes To The Financial Statements .....	8

**I. Key School Information And Management**

**(a) Background information**

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

The school was registered in 07/10/2014 under registration number 046/p/3000/010 and is currently categorized as an extra county public school established, owned or operated by the Government.

The school is a day/boarding school and had 750 students as at **30 June 2021**. It has 15 streams and 31 teachers of which 10 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	Mr. Gwaro Mosiria	Chairman	05/May2019
2	Mr. James Ongera	Secretary- Principal	05/May2019
3	Mr. John Mongare	V/Chairman	05/May2019
4	Mr. George Olwal	Member	05/May2019
5	Mr. James Kioko	Member	05/May2019
6	Mr. Duncan Moriasi	Member	05/May2019
7	Mrs. Lucy Mwangi	Sponsor	05/May2019
8	Mrs. Nancy Momanyi	Member	05/May2019
9	Mr. Felix Michira	Member – Rep CEB	05/May2019
10	Mr. Gekara Ogaro	Member Rep Teachers	05/May2019
11	Mrs. Cristine Nyasimi	Member	05/May2019
12	Mrs Mary Kimwomi	Member - Community	05/May2019
13	Adv. Kennedy Nyaecha	Member Special Needs	05/May2019
14	Stacy Adhiambo	Rep Students	05/May2019
15	Mr. Livingstone Momanyi	CHIEF	05/May2019
16	Hon. Laban Masira	MCA	05/May2019
17	Mr. Samwel Migiro	PA	05/May2019

**The functions of the School Board of Management include:**

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

**Key School Information and Management (continued)**

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Mr.Gwaro Mosiria	Chairman	2 out of 3
		2.Mr. Jamas Ong'era	Secretary	3 out of 3
		3.Ms. Lucy Mwangi	Treasurer	3 out of 3
		4.Mr. John Mongare	V/Chairman	2 out of 3
		5.Mr Samwel Migiro	P.A Chairman	2 out of 3
2	Audit Committee	1.Mr.Adv.Kennedy Nyaencha	Chairman	1 out of 3
		2.Mr.james Ongera	Secretary	2 out of 3
		3.Mrs.Mary Kimwomi	Member	2 out of 3
3	Finance,procurement and general purposes Committee	1.Mr.Gwaro Mosiria	Chairman	2 out of 3
		2.Mr. George Olwal	Secretary	2 out of 3
		3.Mr James Kioko	Member	3out of 3
4	Academic Committee	1.Mrs. Mary Kimwomi	Chairman	2 out of 3
		2.Mr. Gekara Ogaro	Secretary	2 out of 3
		3.Mrs.lucy mwangi	Member	3 out of 3
5	Development Committee	1.Mr. Felix Michira	Chairman	2 out of 3
		2.Mrs. Lucy Mwangi	Secretary	2out of 3
		3.Mr.Samwel Migiro	Member	2 out of 3
		4.Mr.James Ong'era	Member	3 out of 3
6	Discipline and welfare Committee	1.Mrs Nancy Momanyi	Chairlady	2 out of 3
		2.Mr. John Mong'are	Secretary	2 out of 3
		3.Mr.danican Moriasi	Member	3 out of 3
		4.Mr. James Kioko	Member	3 out of 3

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	James Mogusu	368156
2	Deputy Principal	Wilfred Mboga	416070
3	School Bursar	Jackline Momanyi	21047962

**(e) Schools contacts**

Post office Box: 1080-40500  
 Telephone: 0726479616  
 E-mail: [masosamixedsec@gmail.com](mailto:masosamixedsec@gmail.com)

**Key School Information and Management (continued)**

**(f) School Bankers**

The school operated 7(seven) number of bank accounts and one pay bill number as follows;

1. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1103243543
2. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1107011604
3. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1103241974
4. Name of Bank: EQUITY  
Branch: Nyamira  
Account Number: 0520297040043
5. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1266400265
6. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1103245813
7. Name of Bank: EQUITY  
Branch: Nyamira  
Account Number: 0520299604086
8. Mpesa Pay bill: Business Number; 522123  
Account Number; 70025k  
Attached to bank account  
1103241974

**(g) Independent Auditors**

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

**II. Summary Report Of Performance Of The School**

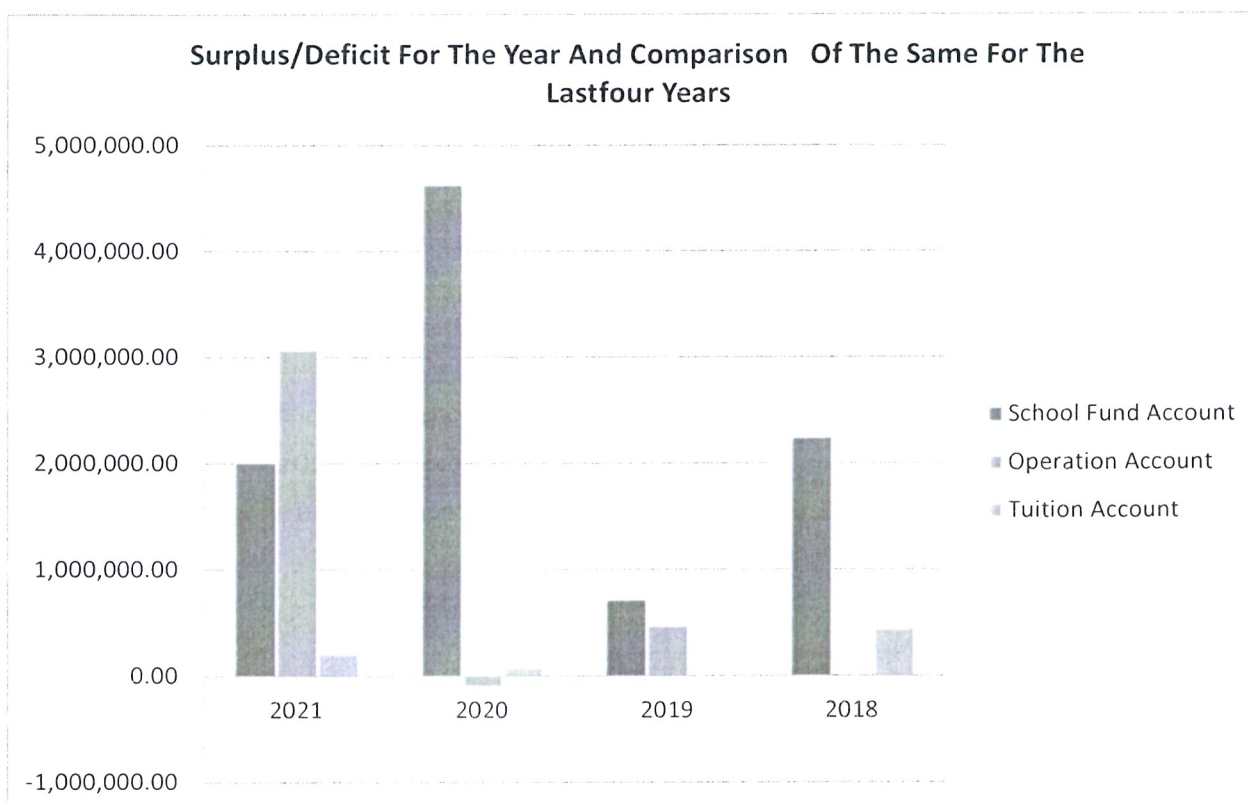
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

Under this section, it reflects the actual financial performance trend for the last three years period between 1<sup>st</sup> January 2018 to 31<sup>st</sup> December 2020 which covers a period of 12 months while 30 June 2021 covers a period of 6 months and is summarised as follows;

**Surplus/Deficit for the Year and Comparison of the Same for the Last Four Years**

<i>S.no</i>	<i>Accounts</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	1,117,319	4,630,777	720,384	2,241,188
2	Operation Account	1,572,249	(105,403)	474,869	20,163
3	Tuition Account	216,327	85,707	8,408	445,857
	<b>Totals</b>	<b>2,905,895</b>	<b>4,611,081</b>	<b>1,203,661</b>	<b>2,707,208</b>
	<b>Increase/Decrease</b>	<b>1,705,186</b>	<b>(3,407,421)</b>	<b>(1,503,548)</b>	<b>-</b>

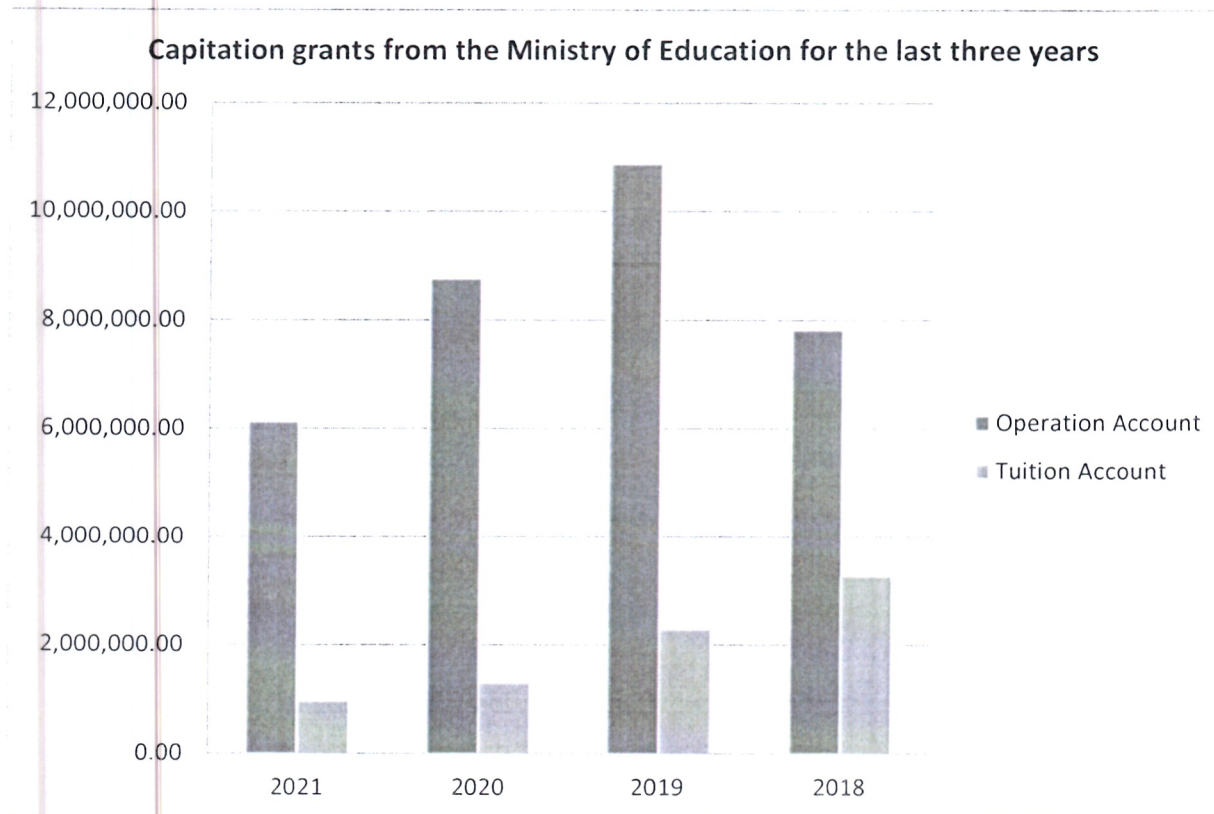


The surplus for the year 2019 increased from Kshs 1,203,660 to Kshs4, 611,081 year 2020 due to prolonged closure after abrupt shutting of the school due to Covid 19 and it also increased from Kshs 4,611,081 year 2020 to Kshs5, 300,249.75 in year 2021 due to non-usage of M.I.F due delays in approval from the ministry.

Summary Report of Performance of the School (Continued)

Capitation Grants from the Ministry of Education for the Last Three Years

<i>S.no</i>	<i>Accounts</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
		Kshs	Kshs	Kshs	Kshs
1	Operation Account	6,120,971	8,760,450	10,881,781	7,824,169
2	Tuition Account	976,461	1,308,701	2,302,148	3,283,704
	<b>Totals</b>	<b>7,097,434</b>	<b>10,069,151</b>	<b>13,183,929</b>	<b>11,107,873</b>
	Increase/Decrease	(2,971,717)	(3,114,778)	2,076,056	-
	Number of Students	758	750	705	670
	Ratio Capitation Per Student	1:9,363	1:13,421	1:18,701	1:16,579



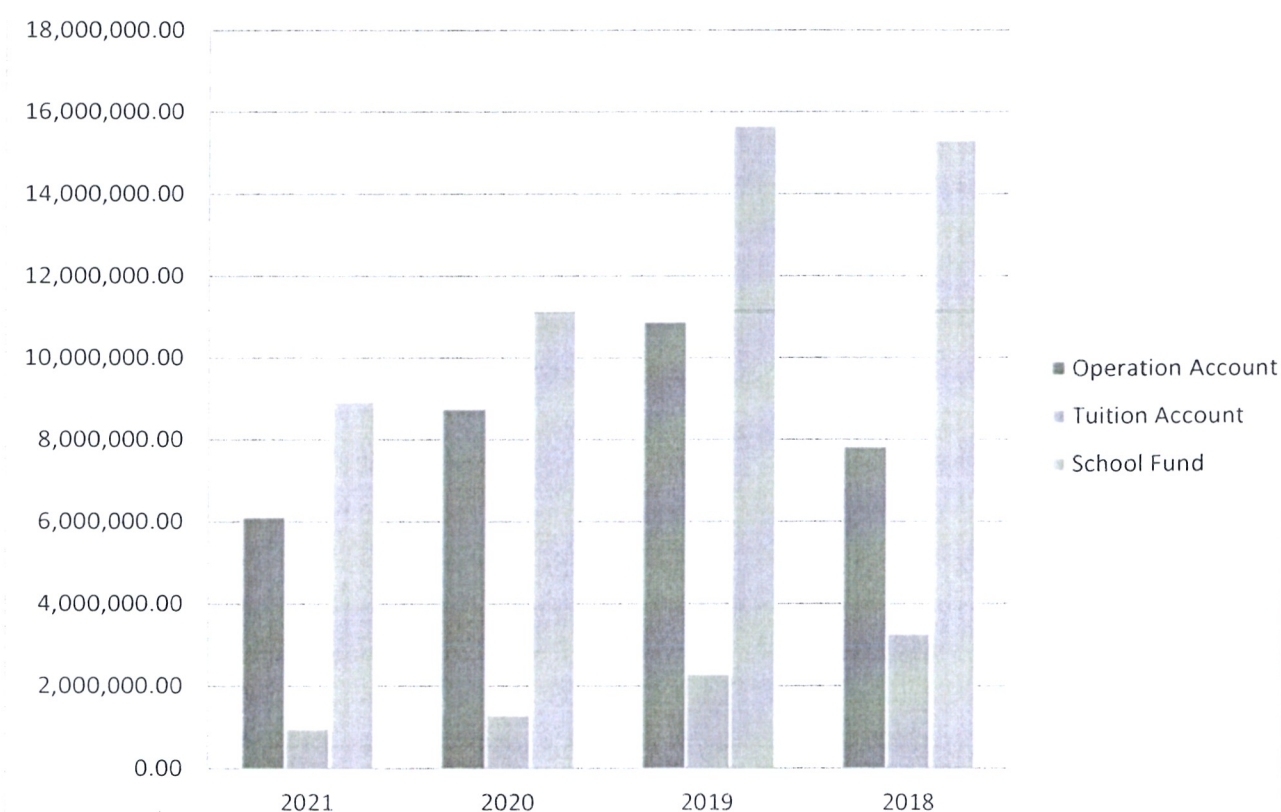
The total capitation for the financial year 2018 was Kshs11, 107,873 increased to Kshs 13, 183, 928, 95 in year 2019 due to increase in enrolment, and it also decreased to Kshs 10,069,151 in the year 2020 due to not all students received the Grant, prolonged closure due to Covid 19 and not all capitation grant were disbursed by the end of year 2020. Capitation Grant for the year 2021 decreased to Kshs7, 097,433.75 because the current period covers only 6(six) months

**Summary Report of Performance of the School (Continued)**

**Three Year Overview of Growth of Income(S) Earned By the School.**

S.no	Accounts	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	Operation Account	6,120,973	8,760,450	10,881,781	7,824,169
2	Tuition Account	976,461	1,308,701	2,302,148	3,283,704
3	School Fund	8,956,355	11,163,625	15,661,630	15,317,990
	<b>Totals</b>	<b>16,053,789</b>	<b>21,232,776</b>	<b>28,845,559</b>	<b>26,425,863</b>
	Increase/decrease	(5,178,987)	(7,612,783)	2,419,696	-

**Three Year Overview Of Growth Of Othre Income(s)earned By The School**

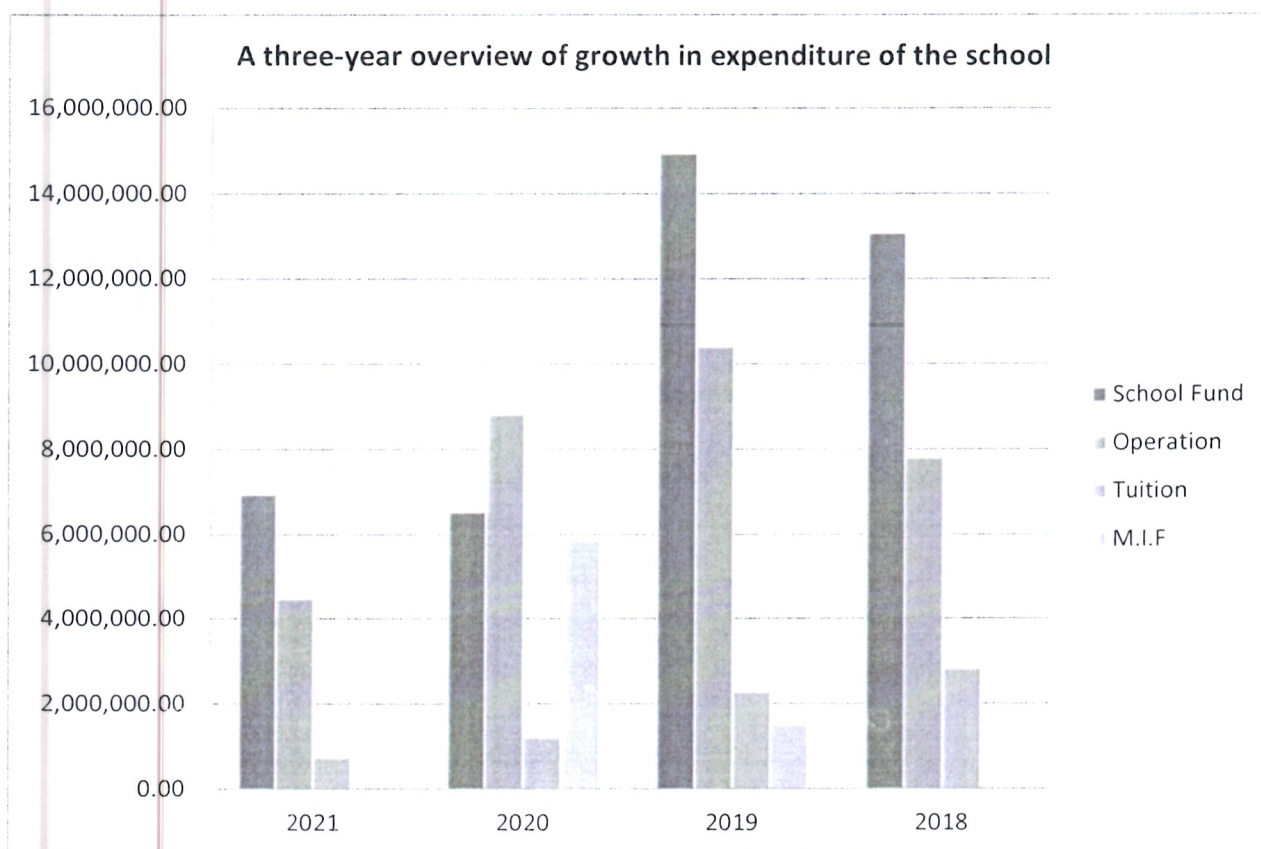


*In the financial year 2019 was a decrease in income from Kshs 28,845,559 to Kshs 21,232,776 due to prolonged closure of school because of Covid 19. Also there was a decrease in the year 2021 from Kshs 21,232,776 to Kshs 16,053,789 because the current period covers only 6(six) months.*

**Summary Report of Performance of the School (Continued)**

**Overview of Growth in Expenditure of the School**

<i>S.no.</i>	<i>Accounts</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
		Kshs	Kshs	Kshs	Kshs
1	School Fund	6,944,681	6,532,848	14,941,246	13,076,802
2	Operation	4,488,544	8,828,083	10,406,912	7,804,007
3	Tuition	760,134	1,222,994	2,292,740	2,837,847
4	M.I.F	60,000	5,874,805	1,519,961	-
	<b>Totals</b>	<b>12,253,359</b>	<b>22,458,730</b>	<b>29,160,859</b>	<b>23,718,655</b>
	Increase/Decrease	(10,205,371)	(6,702,129)	5,442,205	-



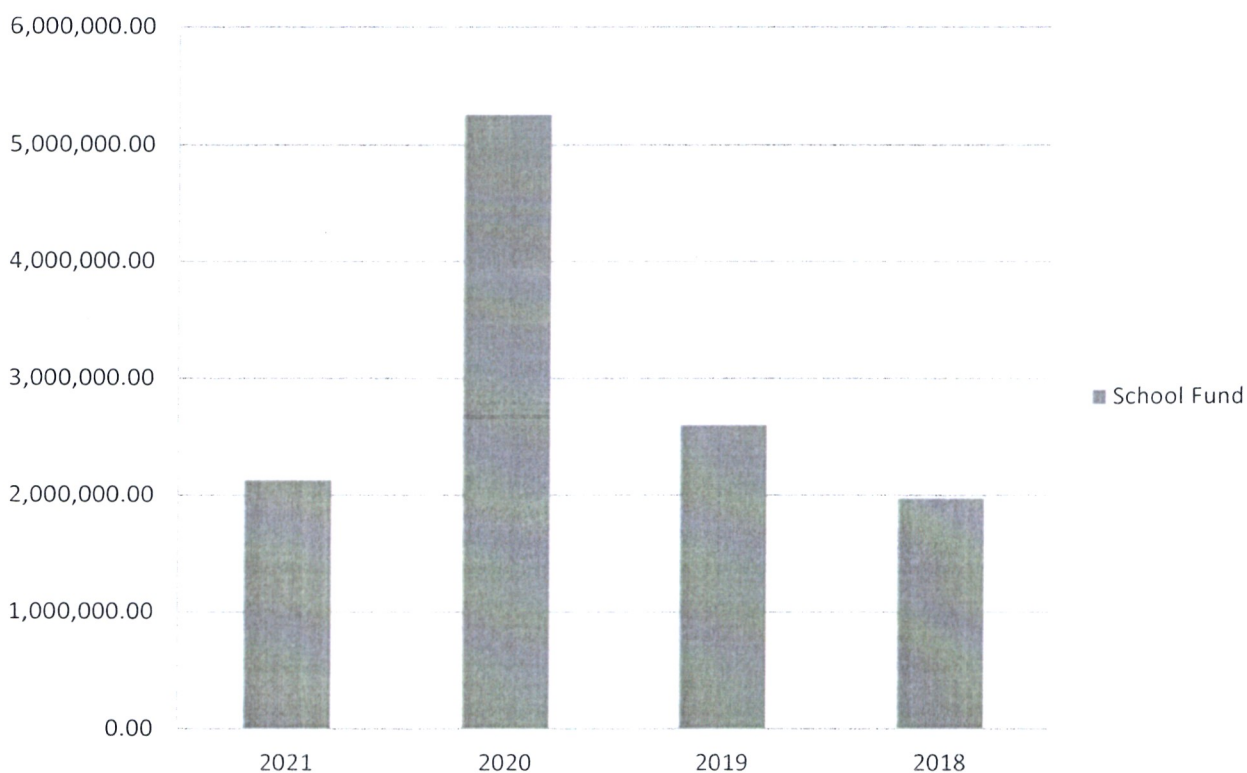
*In the financial year 2019 there was a decrease in expenditure from Kshs29, 160, 859, 20 to Kshs22, 458,730 because of prolonged abrupt closure of the school due to Covid 19, and in the financial year-2021 shows a decrease Kshs 12,253,359 Which resulted from the year covering a period of six months .*

**Summary Report of Performance of the School (Continued)**

**Movement of Debtors of the School over the Last Three Years**

S.no	Account	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
	School Fund	2,125,930	5,254,070	2,597,360	1,970,030
<b>Totals</b>		<b>2,145,930</b>	<b>5,254,070</b>	<b>2,597,360</b>	<b>1,970,030</b>
Increase/Decrease		(3,108,140)	2,656,710	627,330	-

**Movement of debtors of the school over the last three years**

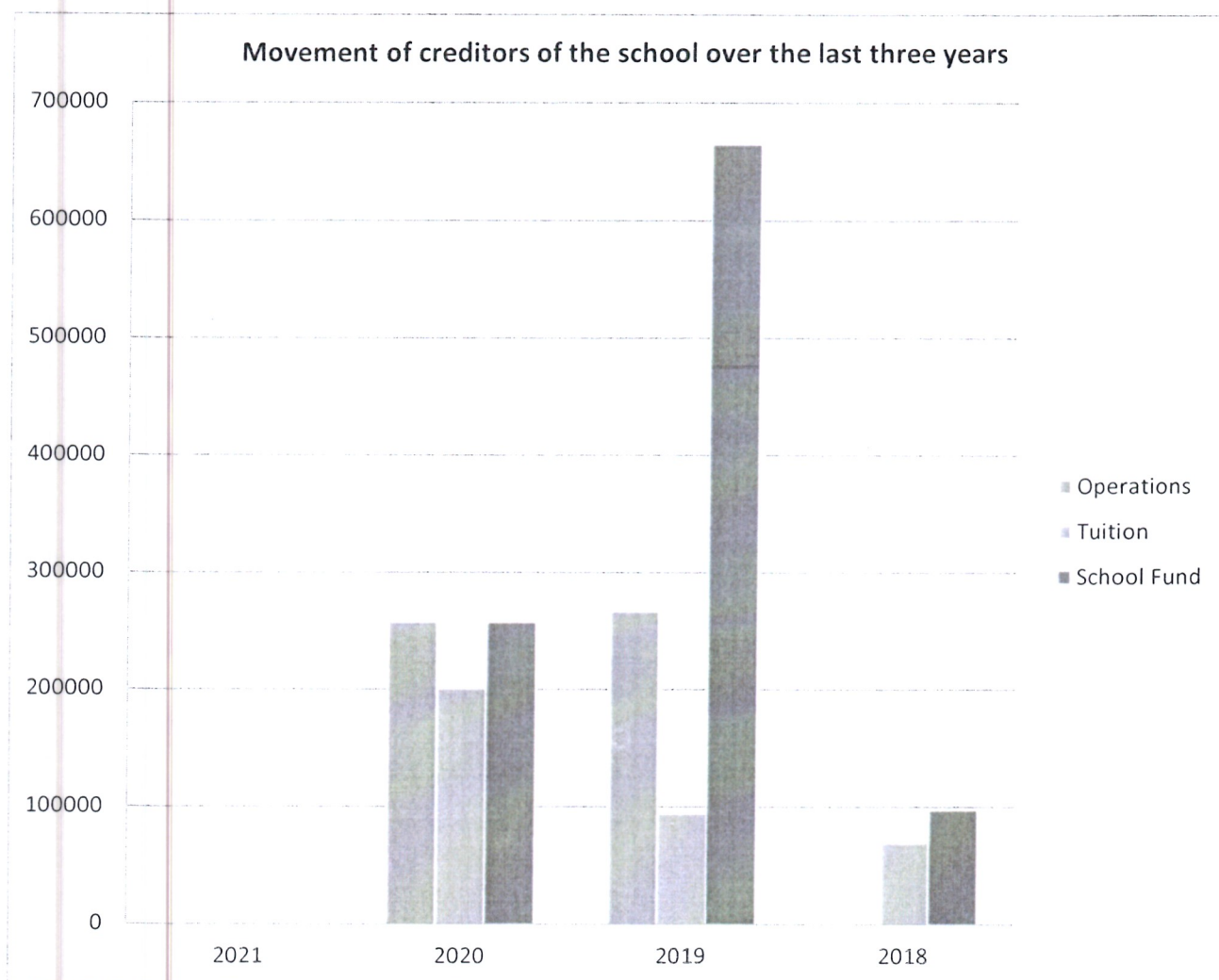


*Total debtors in the year 2019 of Kshs 2,597,360 increased to Kshs 5,254,930 in the year 2020 due to Covid 19 and most students had huge school fees arrears, and a decrease to Kshs 2,125,930 in the year 2021 to 2,145,930 since the period covers only 6 months*

Summary Report of Performance of the School (Continued)

Movement of Creditors of the School over the Last three Years

S.no	Account	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund	-	257,410	665,150	97,472
2	Operations	-	258,010	267,120	-
3	Tuition	-	201,000	94,800	70,000
4	<b>Totals</b>	-	<b>716,420</b>	<b>1,027,070</b>	<b>167,472</b>
5	Increase/decrease	(405,770)	(405,770)	859,598	-

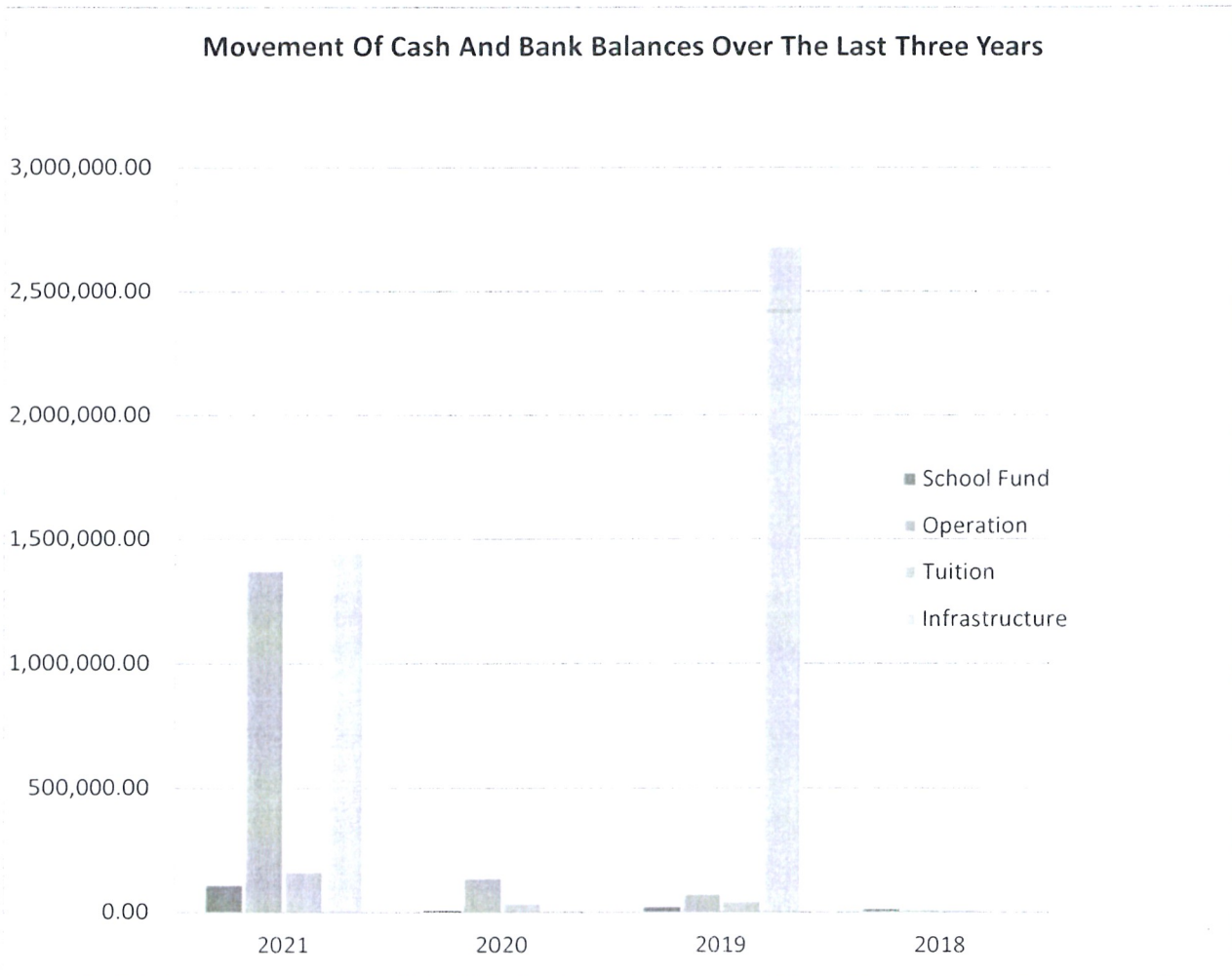


The creditors for the year 2019 increased to Kshs1, 027,070 in school fund account which was attributed to the increase of total debtors, most students did not clear their school fees balances.

**Summary Report of Performance of the School (Continued)**

**Movement of Cash and Bank Balances over the Last Three Years**

S.no	Accounts	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund	113,156	11,267	24,657	17,548
2	Operation	1,376,205	141,023	77,944	15,203
3	Tuition	168,996	39,669	47,762	14,554
4	Infrastructure	1,454,230	14,734	2,686,039	-
	<b>Totals</b>	<b>3,112,588</b>	<b>206,693</b>	<b>2,836,402</b>	<b>47,305</b>
	Increase/Decrease	2,905,895	(2,629,709)	2,789,098	-



The Cash and Bank Balances increased in the years 2019 and 2021 was attributed by non-usage of the M.I.F funds which resulted from late receiving of approval letter for the commencement of construction.

**Summary Report of Performance of the School (Continued)**

**b) Teacher Student ratio:**

Between the months of January 2021 to June 2021 the following was the status of teaching staff; There are 21 Teachers posted by Teacher Service Commission and 10 Teachers recruited by BOM. Teacher student ratio is at 1:38, and we have a shortage of 6 teachers due to subject specialization in form 3 and form 4.

**c) Mean score in the year 2018, 2019 and 2020 KCSE**

<i>Year</i>	<i>Enrolment</i>	<i>Mean</i>	<i>Transition</i>	<i>%transition</i>	<i>School target</i>	<i>Comments</i>
2020	167	5.12	167	100%	7	Positive deviation of 1.38, 36 qualified to university and other to middle level colleges
2019	163	3.74	163	97.54%	6.75	Positive deviation of 0.07, with 16 qualifying to university
2018	141	3.701	141	100%	6.5	

**d) Number of Candidates in the 2018,2019, 2020 KCSE:**

<i>KCSE year</i>	<i>Candidates sitting for KCSE</i>
2020	167
2019	163
2018	141

**e) Capacity of the school:**

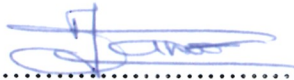
<b>Enrolment</b>	<b>Classes</b>	<b>Dormitory</b>	<b>Dining Hall</b>	<b>Laboratories</b>	<b>Toilets</b>	<b>Library</b>
750	16	3	0	2	32	1

**Summary Report of Performance of the School (Continued)**

**Development projects carried out by the school:**

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

S.no	Project	Year	Status	Amount	Fund source
1	Construction of 8 classrooms(story building)	2019-2020	Complete	7,392,926	Maintenance Improvement Fund Government Grant
2	Construction of storey boys dormitory	2021-2022	Work in progress	6,047,083	Maintenance Improvement Fund Government Grant Repair, Improvement and Maintenance - Parents



School Principal




### III. Statement Of School Management Responsibility

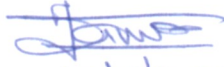
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

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


The Board of Management of Masosa Mixed 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 30 June, 2021, and of the school's financial position as at that date.

**Name:** MR. Gwaro Mosiria  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 10/7/2023

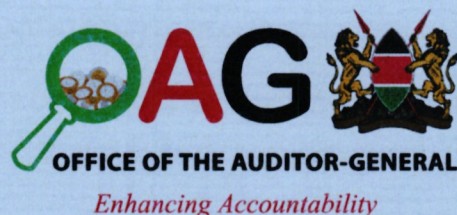
**Name:** Mr. James Mogusu  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 10/7/2023



**Name:** Mrs Jackline Momanyi  
**Designation:** Bursar/ Finance officer  
**Sign:**   
**Date:** 10/7/2023

# 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 MASOSA MIXED SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – NYAMIRA COUNTY**

---

### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Masosa Mixed Secondary School set out on pages 1 to 12, which comprise of the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Masosa Mixed Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Unsupported Accounts Payables Balance**

The statement of financial assets and liabilities reflects a balance of Kshs.2,145,930 in respect of accounts payables which, as disclosed in Note 11 to the financial statements, includes amounts due to various suppliers of goods and services. However, the creditors' register/ledger with full details on goods supplied or services rendered, invoices, local purchase/service orders and evidence of delivery and suppliers' statements were not provided for audit.

In the circumstances, the accuracy and completeness of pending accounts payables balance of Kshs.2,145,930 could not be confirmed.

#### **2. Unsupported Expenditure**

The statement of receipts and payments reflects total payments of Kshs.12,501,784 which includes an expenditure of Kshs.1,586,302 on procurement of various goods and services. However, the amount was not supported by a list of registered suppliers, the annual procurement plan, appointment letters for members of the tender opening committee, evaluation committee and inspection and acceptance committee, tender opening minutes, professional opinion and request for quotations forms.

In the circumstances, the accuracy and completeness of expenditure amounting to Kshs.1,586,302 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Masosa Mixed 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 which, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **Other Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.17,976,500 and Kshs.15,407,679 respectively, resulting to an under-collection of Kshs.2,568,821 or 14% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.17,976,500 and Kshs.12,253,359 respectively, resulting to an under-expenditure of Kshs.5,723,141 or 32% of the approved budget.

The under collection and under performance affected the planned activities and may have impacted negatively on service delivery to the public.

## **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 20 August, 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 financial statements for a longer period was 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.

However, Management presented the annual report and financial statements for the financial year ended 30 June, 2021 without the comparative balances. Consequently, the

financial statements have not been prepared for eighteen-months (18) as prescribed by 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 the longer period covered by the current financial period.

In the circumstances, Management did not comply with the financial reporting guidelines issued by the Public Sector Accounting Standards Board.

## **2. Unapproved Budget**

The statement of budget versus actual amounts reflects budgeted income of Kshs.17,976,500 and a similar amount for expenses. However, no evidence was provided to the effect that the School's budget was approved by the Board of Management. This was contrary to Section 16(1)(2) of the Basic Education Act, 2013 which states that the Board of Management of a public institution of basic education shall prepare annual estimates of revenue and expenditure for the institution under its charge and incur expenditure in accordance with estimates approved.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Enrolled versus NEMIS Students Discrepancy**

A query in the National Education Management Information System (NEMIS) reported the School's student population at seven hundred and fifty (750). However, review of the School's class registers revealed an enrollment of seven hundred and seventy-six (776) students resulting to an unexplained variance of twenty-six (26) students. Based on the approved capitation rate per student, the school missed out on receiving an amount of

Kshs.291,754 being funding for the twenty-six (26) students not accounted for in the NEMIS system.

In the circumstances, the completeness of the data held in the NEMIS could not be confirmed.

## **2. Weaknesses in Management of Fixed Assets**

Review of records revealed that the Management did not maintain a fixed assets' register indicating dates of acquisition, unique identification numbers, purchase prices and depreciation amounts of the School's assets, among other details. In addition, the School did not have in place, policies and procedures relating to assets acquisition and management.

In the circumstances, the existence of an effective mechanism to safeguard the School's assets against abuse, misuse, wastage or pilferage could not be confirmed.

## **3. Failure to Provide Board of Management Records**

Review of members of Board of Management personal files revealed that there was no records to confirm that fourteen (14) members of Board of Management had the required minimum and relevant qualifications. Consequently, compliance with Regulation 6(b) of the Basic Education Regulations, 2015 which states that the minimum qualifications of the Chairmen and members of Boards of Management shall be in the case of a Secondary School or a middle level college, a degree from a university recognized in Kenya, and a KCSE Certificate respectively, could not be confirmed. In addition, the Board's annual work plan and schedule of activities was not provided for audit review.

In the circumstances, the effectiveness of the School's overall governance could not be confirmed.

## **4. Lack of Land Ownership Documents**

Annex 2 of the financial statements reflects a balance of Kshs.92,434,699 in respect of fixed assets which includes land valued at Kshs.7,500,000. However, the basis of valuation was not explained or supported. In addition, land ownership documents such as a title deeds were not provided for audit.

In the circumstances, the completeness of the summary of the fixed assets register could not be confirmed.

## **5. Failure to Develop Policy Documents**

Review of the School's policy documents revealed that Management did not develop a School Improvement Plan that identifies key areas of focus, activities and expected outcomes. Consequently, the absence of a School Improvement Plan raises concerns about the school's strategic planning and commitment to continuous improvement. Further, Management did not develop disaster management and recovery policies as well as business and IT continuity plans plan to ensure smooth running of its operations. In

addition, the school did not develop financial policy and procedure manuals to guide in the financial operations of the School.

In the circumstances, the effectiveness of internal controls, overall governance and risk management of the School could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, 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 aware of the intention to terminate the School or to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, 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 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 which 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions which 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 sustain its services.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 October, 2023

Masosa Mixed Secondary School  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

V. Statement Of Receipts And Payments Period To 30<sup>th</sup> June 2021

Description of Vote Head	Note	2020 - 2021
		Kshs.
<b>Receipts</b>		
Capitation Grants For Tuition	1	976,461
Capitation Grants For Operations	2	6,120,793
School Fund Income- Parents' Contributions	3	2,685,020
School Fund Income- Other Receipts	4	5,625,405
<b>Total Receipts</b>		<b>15,407,679</b>
<b>Payments</b>		
Payments For Tuition	5	760,134
Payments For Operations	6	4,548,544
Boarding And School Fund Payments	7	7,193,106
<b>Total Payments</b>		<b>12,501,784</b>
<b>Surplus/Deficit</b>		<b>2,905,895</b>

The school financial statements were approved on 10/7 2023 and signed by:

*Gwaro*

*James Mogusu*

*Jackiline Momany*

Name: Mr. Gwaro Mosiria  
 Chair BOM

Name: James Mogusu  
 School Principal/ Secretary to  
 BOM

Name: Mrs. Jackiline Momany  
 Bursar/ Finance Officer

Date: 10/7/2023

Date: 10/7/2023

Date: 10/7/2023



VI. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2021

	Note	2020-2021
		Kshs
<b>Financial Assets</b>		
<b>Cash and Cash Equivalents</b>		
Bank Balances	8	3,111,429
Cash Balances	9	1,159
<b>Total Cash and Cash Equivalent</b>		<b>3,112,588</b>
Account's Receivables	10	2,145,930
<b>Total Financial Assets</b>		<b>5,258,518</b>
<b>Financial Liabilities</b>		
Accounts Payables	11	2,145,930
<b>Net Financial Assets</b>		<b>3,112,588</b>
<b>Represented By</b>		
Accumulated Fund B/Forward	12	206,693
<b>Surplus/Deficit for The Year</b>		<b>2,905,895</b>
<b>Net Financial Position</b>		<b>3,112,588</b>

The school's financial statements were approved on 10/7 2023 and signed by:



Name: Mr. Gwaro Mosiria  
 Chair BOM

Date: 10/7/2023



Name: James Mogusu  
 School Principal/ Secretary to  
 BOM

Date: 10/7/2023



Name: Mrs. Jackiline Momany  
 Bursar/ Finance Officer

Date: 10/7/2023



**VII. Sstatement of Cash Flows for The Period Ended 30<sup>th</sup> June 2021**

		2020-2021
		Kshs
<b>Receipts for Operating Income</b>		
Capitation Grants for Tuition	1	976,461
Capitation Grants for Operations	2	6,120,793
School Fund Income- Parents Contributions/ Fees	3	2,685,020
School Fund Income- Other Receipts	4	5,625,405
<b>Total Receipts</b>		<b>15,407,679</b>
<b>Payments</b>		
Payments for Tuition	5	760,134
Payments for Operations	6	4,548,544
Boarding and School Fund Payments	7	7,193,106
		<b>12,501,784</b>
<b>Net Cash Flow from Operating Activities</b>		<b>2,905,895</b>
<b>Cash and Cash Equivalent at Beginning of The Year</b>		<b>206,693</b>
<b>Cash and Cash Equivalent at End of The Year</b>		<b>3,112,588</b>

*(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).*

Masosa Mixed Secondary School  
Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget C=A+B	Actual On Comparable Basis D	Budget Utilization Difference E=C-D Kshs	% of Utilization F=D/C % Kshs
<b>Receipts</b>						
<i>(1) Capitation Grant On Tuition</i>						
Exercise Books	552,500		552,500	420,135	132,365	76%
Laboratory Equipment	242,500		242,500	154,175	88,325	64%
Internal Exams	230,000		230,000	133,000	97,000	58%
Teaching / Learning Materials	263,500		263,500	158,055	105,445	60%
Chalks	110,000		110,000	75,000	35,000	68%
Reference Materials	90,500		90,500	36,096	54,404	40%
<i>(2) Capitation Grant On Operations</i>						
Personnel Emoluments	1,875,000	-	1,875,000	1,457,616	417,384	78%
Repairs And Maintenance	1,875,000	-	1,875,000	2,911,500	-1,036,500	155%
Local Transport / Travelling	375,000	-	375,000	434,274	-59,274	116%
Electricity And Water	487,500	-	487,500	564,620	-77,120	116%
Administration Costs	1,125,000	-	1,125,000	637,781	487,218	57%
Activity	225,000	-	225,000	115,000	110,000	51%
<i>(3) Fees Charged n Parents</i>						
Personnel Emoluments	600,000	-	600,000	548,500	51,500	91%
Repairs And Maintenance	400,000	-	400,000	466,450	-66,450	117%
Local Transport / Travelling	600,000	-	600,000	391,520	208,480	65%
Electricity And Water	700,000	-	700,000	426,600	273,400	61%
Administration Costs	900,000	-	900,000	649,830	250,170	72%
Activity	300,000	-	300,000	202,120	97,880	67%
Fee On Boarding Equipment And Stores	5,150,000	-	5,150,000	4,125,405	1,024,595	80%
M.I.F	1,875,000	-	1,875,000	1,500,000	375,000	80%
<b>Total Income</b>	17,976,500	-	17,976,500	15,407,679	2,568,821	86%

Masosa Mixed Secondary School  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% of Utilization
	A Kshs	B Kshs	C=A+B	D	E=C-D Kshs	F=D/C % Kshs
<b>(1) Expenditure For Tuition</b>						
Exercise Books	552,500	-	552,500	220,000	332,500	40%
Laboratory Equipment	242,500	-	242,500	160,320	82,180	66%
Internal Exams	230,000	-	230,000	141,500	88,500	62%
Teaching / Learning Materials	263,500	-	263,500	237,450	26,050	90%
Chalks	110,000	-	110,000	0	110,000	0%
Exams And Assessment	230,000	-	230,000	141,500	88,500	62%
Teachers Guides	90,500	-	90,500	0	90,500	0%
<b>(2) Expenditure For Operations</b>						
Personnel Emoluments	1,875,000	-	1,875,000	1,707,650	167,350	91%
Repairs, Maintenance & Improvements	1,875,000	-	1,875,000	1,500,000	375,000	80%
Local Transport / Travelling	375,000	-	375,000	176,000	199,000,00	47%
Electricity, Water And Conservancy	487,500	-	487,500	331,400	156,100	68%
Administration Costs	1,125,000	-	1,125,000	638,494	486,506	57%
Activity Expenses	225,000	-	225,000	135,000	90,000	60%
M.I.F	1,875,000	-	1,875,000	60,000	1,815,000	3%
<b>(3) Expenditure For School Fund</b>						
Personnel Emoluments	600,000	-	600,000	518,300	81,700	86%
Repairs, Maintenance And Improvements	400,000	-	400,000	289,700	110,300	72%
Local Transport / Travelling	600,000	-	600,000	557,845	42,155,00	93%
Electricity, Water And Conservancy	700,000	-	700,000	910,225	-210,225	130%
Administration Costs	900,000	-	900,000	1,124,077	-224,077	125%
Activity	300,000	-	300,000	10,500	289,500	4%
Boarding Equipment And Stores	5,150,000	-	5,150,000	3,782,459	1,615,966	69%
<b>Totals</b>	<b>17,976,500</b>	<b>-</b>	<b>17,976,500</b>	<b>12,253,359</b>	<b>5,723,141</b>	<b>68%</b>

i. Percentage below 90 % is because of under utilisation of funds

ii. Percentage of over 100% is as a result of borrow from within the votes

## **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 year ended 30<sup>th</sup> June 2021.

**X. Notes To The Financial Statements**

**1 Capitation Grant for Tuition**

	<b>2020-2021</b>
	<b>Kshs</b>
Exercise books	420,135
Laboratory equipment	154,175
Teaching / learning materials	158,055
Chalks	75,000
Exams and assessment	133,000
reference materials	36,096
<b>Total</b>	<b>976,461</b>

**2 Capitation Grant for Operations**

		<b>2020-2021</b>
		<b>Kshs</b>
Personnel emoluments		1,457,616
Repairs and maintenance		2,911,500
Local transport / travelling		434,274
Electricity and water		564,620
Administration costs		637,781
Activity		115,000
<b>Total</b>		<b>6,120,793</b>

**3 Parents Contribution/Fees - School Fund Account**

		<b>2020-2021</b>
		<b>Kshs</b>
Personnel emoluments		548,500
Repairs and maintenance		466,450
Local transport / travelling		391,520
Electricity and water		426,600
Administration costs		649,830
Activity		202,120
<b>Total</b>		<b>2,685,020</b>

**XI. Notes to the Financial Statements (Continued)**

**4 Other Receipts – School Fund Account**

	2020-2021
	Kshs
Fee on Boarding Equipment and Stores	4,125,405
M.I.F	1,500,000
<b>Total</b>	<b>5,625,405</b>

**5 Payments for Tuition**

	2020-2021
	Kshs
Exercise books	220,000
Laboratory equipment	160,320
Internal exams	141,500
Teaching / learning materials	237,450
Bank Charges	864
<b>Total</b>	<b>760,134</b>

**6 Payments for Operations**

	2020-2021
	Kshs
Personnel emoluments	1,707,650
Administration Cost	638,494
Repairs and maintenance & improvements	1,500,000
Local transport / travelling	176,000
Electricity and water	331,400
Activity Expenses	135,000
MIF	60,000
<b>TOTAL</b>	<b>4,548,544</b>

**7 Boarding and School Fund Payments**

	2020-2021
	Kshs
Activity	10,500
Personal emoluments	518,300
Repairs and maintenance & Improvements	289,700
Local transport / travelling	557,845
Electricity and water	910,225
Administration costs	1,124,077
Lunch Programme	3,782,459
<b>TOTAL</b>	<b>7,193,106</b>

**XII. Notes to the Financial Statements (Continued)**

**8 Bank Accounts**

Name of Bank, Account No. & currency	Bank Account Number	2020-2021
		Kshs
Tuition Account	1103243543	168,996
Operations Account	1107011604	1,375,677
School Fund Account/Boarding (KCB)	1103241974	29,572
School Fund Account/Boarding (Equity)	0520297040043	82,953
Infrastructural Account	1266400265	1,454,230
<b>Total</b>		<b>3,111,429</b>

**9 Cash In Hand**

Description	2020-2021
Kshs	
Operation Account	528
School Fund account (KCB)	379
School Fund account (Equity)	252
<b>Total</b>	<b>1,159</b>

**10 Accounts Receivable**

Description	2020-2021
Kshs	
Fees arrears	2,145,930
<b>Total</b>	<b>2,145,930</b>

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

Description	2020-2021
Kshs	
Fees arrears for current year	2,145,930
Fees arrears for the previous year	
<b>Total</b>	<b>2,145,930</b>

**11 Accounts Payable**

Description	2020-2021
Kshs	
Trade creditors (See ageing below and appendix 1)	657,862
<b>Total</b>	<b>657,862</b>

**Notes to the Financial Statements (Continued)**

Description	2020-2021
	Kshs
Trade creditors for the previous year	2,145,930
<b>Total</b>	<b>2,145,930</b>

**12 Fund Balance Brought Forward**

Description	2020-2021
	Kshs
Bank Balance	205,862
Cash Balance	949
<b>Total</b>	<b>206,693</b>

**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.

**Summary**

**13 Stock/ Inventory**

Description	2020-2021
	Kshs
Stock/ inventory at beginning of the year	1,200,000
Stock/ inventory purchased during the year	8,585,921
Stock/ inventory issued during the year	-7,967,000
<b>Balance at end of the year</b>	<b>1,820,921</b>

**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.

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	NONE	N/A	N/A	N/A

Masosa Mixed Secondary School  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

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 2021	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Supply Of Goods</b>						
1. Borrowings-Jackline					294,362	
2. High mark Services					31,000	
3. Jakmot Enterprise White Board Marker					262,862	
4. BOM Employee					70,000	
5. Others					1,487,706	
<b>Total</b>					<b>2,145,930</b>	

Masosa Mixed Secondary School  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

Annex 2 – Summary of Fixed Assets Register

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 June 2021
Land			7,500,000	-	-	7,500,000
Buildings and structures			40,020,689			40,020,689
Motor vehicles			9,000,000	-	-	9,000,000
office equipment, furniture and fittings			5,896,450	-	-	5,896,450
ICT Equipment, and Other ICT Assets			4,179,500	-	-	4,179,500
Tools and apparatus			3,460,000	-	-	3,460,000
Textbooks			20,509,560	-	-	20,509,560
Other Machinery and Equipment			1,500,000	-	-	1,500,000
Intangible assets- s oft ware			368,500	-	-	368,500
<b>Total</b>			<b>92,434,699</b>	<b>-</b>	<b>-</b>	<b>92,434,699</b>