

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 JUN 2026

DAY

Thursday

REPORT

TABLED
BY:

CLERK-AT
THE-TABLE:

Deputy Majority Whip
Hon. Ngoniwa
Halima Ahmed

OF

THE AUDITOR-GENERAL

ON

BISHOP OKIRING KAMUNERU ACK
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

BUNGOMA COUNTY

PARLIAMENT
OF KENYA
LIBRARY



BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2022

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

BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
Annual Report and Financial Statement for the year ended 30th June 2022

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1. 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 situated in Bungoma County, Mt Elgon Sub-County.

The school is registered in 01/2001 under registration number GP/A/1550/2001 and is currently categorized as a Sub-County Public School established, owned by the Government of Kenya.

The school is a day and boarding school and had 350 number of students as at June 2022. It has single streams and 12 teachers of which 5 teachers are employed by the School Board of Management.

b. SCHOOL BOARD OF MANAGEMENT - BOARD MEMBER-

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
	Mr. Duncan Chesosi	Current Chairman	28/7/2025
1	Mr. Leonard Momos Juma	Chairman	19/06/2019
2	David Onyango	Secretary - Principal	19-06/2019
3	Idewe Moses	Member	19/06/2019
4	Petronilla Omela	Member	19/06/2019
5	Lucy Ekipara	Member	19/06/2019
6	Mr Wycliffe Cheprot	Member	19/06/2019
7	Mildred Chesang	Member	19/06/2019
8	Janet Akisa	Member – Rep CEB	19/06/2019
9	Felix Cheshari	Member Rep Teachers	19/06/2019
10	Petronilla Omela & Lucy Ekipara	3 Members - Sponsor	19/0- /2019
11	Patrick Sululia	Member - Community	19-06/2019
12	Wycliffe Cheprot	MemberSpecial Needs	19/06/2019

The function of the School Board of Management include:

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

C) Committees of the Board

Ref	Name of committee	Name of members	Designation
1	Executive committee	1. Mr. Leonard Momos Juma	Chairman
		2. David Onyango	Secretary
		3. Idewe Moses	Vice chair person
		4. Petronilla Omela	Member
		5. Lucy Ekipara	Member
2	Audit team	1. Mr Wycliffe Cheprot	Chairperson
		2. Ven Idewa Moses	Member
		3. Mildred Chesang	Member
		4. kwalia Shaban	D/principal
		5. idewa Moses	Vice Chairperon
		6. Emily Bukelembe	Bursar
3	Finance Procurement and general Purposes committee	1. Leonard momos	Chairperson
		2. David Onyango	Secretary
		3. Jeal Chebet	Member
		4. Patrick Sululia	Member
		5. Victor Bitei	Member
4	Academic committee	1. John Shikuku Kiboi	Member
		2. David Onyango	Principal
		3. Alex Rasto	DOS secretary
		4. Hillary Maitui	Teacher
		5. Lucy Ekipara	Member
		6. Janet Akisa	Member
5	SIC (DEV.COMMITTEE)	Rev Moses Idewa	
		David Onyango	
6	Disciplinary/welfare committee	Rueben K. Cheprot	Chairman
		Caleb Boit	Member
		Mildred Chesang	Member
		Janet Opeto	Member
7	School Operation Management	David Onyango	Principal
		Tom Ambetsa	D/principal
		S/bursar	Emily Bukelembe

d)School Operation Management

For the financial year ended 30th June 2022 t^{he} school day-day management was under the following persons:

Ref	Designation	Name	Identification
1.	Principal	David Onyango	312688
2.	Deputy Principal	Tom Ambetsa	371774
3.	School Bursar	Emily Bukelembe	N/A
4.	Others (specify)		

e) School Contacts

Post Office Box: 37 Kapsokwony

Telephone: 0710501741

Email: Bbisokiringkam sec sch @gmail.com

Twitter:

f) School Bankers

Name of the bank: Kenya Commercial Bank (KCB)

Branch- Kimilili

1) School fund (saving)-1109508859

2) Bus A/C- 1272310248

Name of the bank: Co-Operative Bank

Branch: Kimilili

1) Tuition- 01139049955600

2) Operation- 01139049955601

3) Infrastructure- 01139049955602

4) School fund- 1109508859

Postal Address: 37 Kapsokwony

g) Independent Auditors

Office of the Auditor General

Anniversary Towers, University Way

P.O BOX 30084

GPO 00100

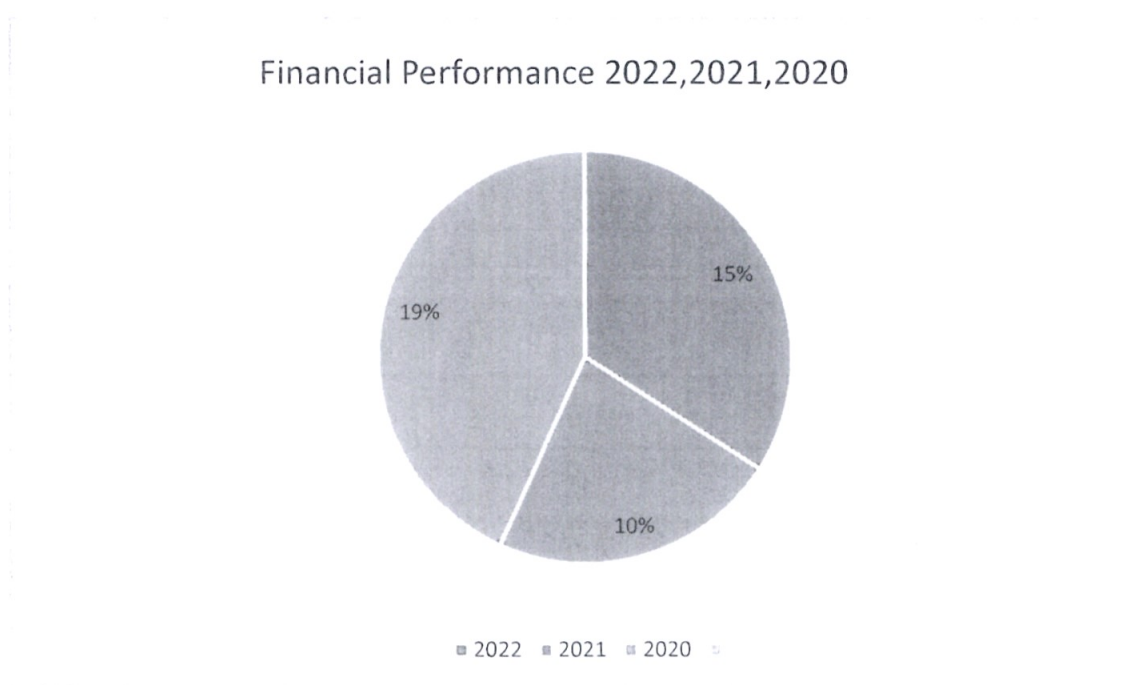
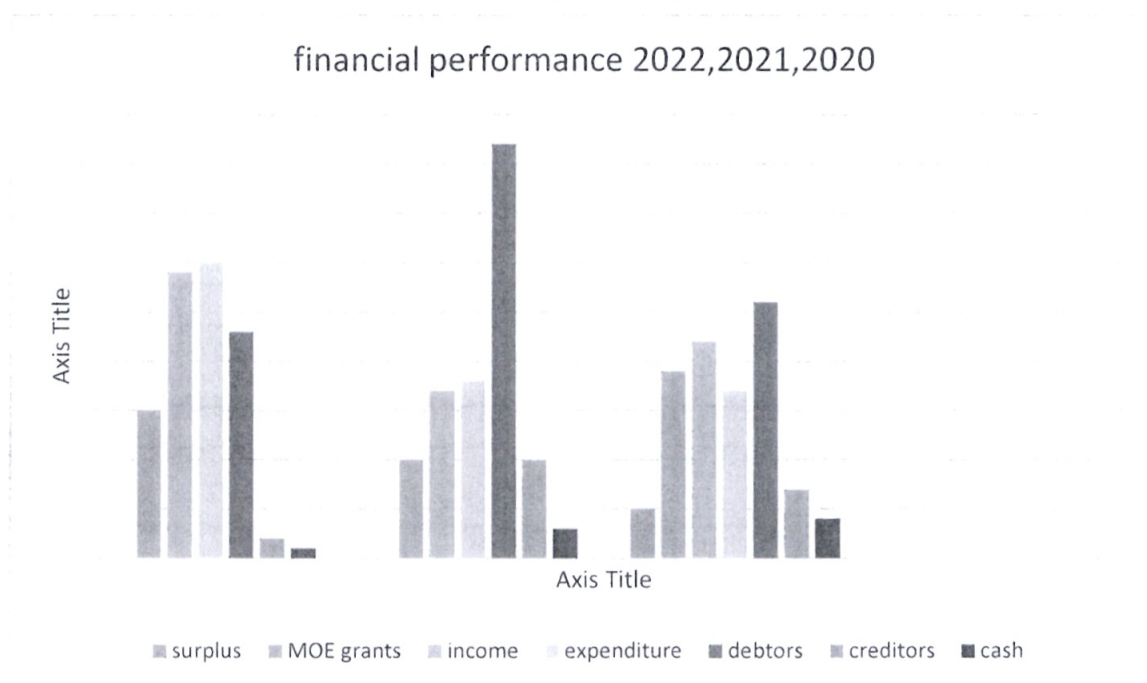
Nairobi, Kenya

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

a. Financial Performance

PARTICULARS SURPLUS/DEFICIT	2022	2021	2020
SURPLUS/DEFICIT	(180,995)	(448,453)	2,081,274
MOF GRANTS	6,460,237	2,885,475	8,521,044
GRANT RATIO PER STUDENT	9,984	9,984	29,485
GROWTH OF INCOME	12,680,344	4,729,975	9,788,157
GROWTH OF EXPENDITURE	12,861,340	5,178,228	7,706,883
MOVEMENT OF DEBTORS	10,122,719	11,849,765	11,503,275
MOVEMENT OF CREDITORS	933,595	2,917,404	3,050,869
MOVEMENT OF CASH AND BANK	302,744	740,512	1,668,911

	2022(%)	2021(%)	2020(%)
SURPLUS	0	5	5
MOE GRANTS	15	19	12
GROWTH OF INCOME	29	22	21
GROWTH OF EXPENDITURE	30	17	16
MOVEMENT OF DEBTORS	23	26	32
MOVEMENT OF CREDITORS	2	7	11
MOVEMENT OF CASH AND BANK	1	4	3



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b. Teacher Student Ratio

1:39, one teacher representing 39 students. 9 teachers are employed by the Teachers Service Commission and 4 teachers employed by the Board of Management. One teacher was employed by the Teachers Service Commission.

c) Mean Score in the 2021 KCSE

YEAR	MEAN SCORE	CANDIDATES ABOVE C+
2021	3.13	3
2020	3.87	4
2019	3.85	1

There was a slight improvement from the 2019 and 2020 but a drop in the 2021 mean score

d) Number of candidates

Year	Capacity
2021	61
2020	57
2019	53

e) Capacity of the school 2021

	2022	2021
Capacity	352	288
Dormitory	2	2
Toilets	15 (3 girls, 8 boys, 4 teachers)	15(3 girls, 8 boys, 4 teachers)

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f. Development projects carried out by the school:

Project	Source of fund	Status	Initial cost	Amount spent (Kshs)	Expected completion time
2 class rooms Construction	MOE	CLEARED	1,777,992	1,777,992	2021/2022

MOSES SIKOWO

Sign

Date

School Principal

PRINCIPAL
BISHOP OKIRING SEC. SCHOOL
P.O. BOX 37-50203, KAPSOKWONY

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 8 (3) requires the financial statement so prepared to be in a form that compiles with relevant accounting standards as prescribed by the Public Sector Accounting Standards as prescribed by the Public Standard s Board (PSASB) 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 kept proper all proper books and records f accounts of the income, expenditure and assets of the institution.

The Board of Management of Bishop Okiring ACK Kamuneru accepts the responsibility for the schools financial statement, 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 opinion that the schools financial statements give a true and fair view of the state of the schools transaction during the financial year 30th June 2022 and of the schools financial position as at that date

..... *Emab FOR*

Name: Duncan Chesosi

Designation: Chairman, School Board of Management

Date: *19.5.2026*

..... *(Signature)*

Name: MOSES SIKOWO

Designation: School Principal & Secretary Board of Management

Date: *19.5.2026*

..... *(Signature)*

Name: Emily Bukelembe

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – BUNGOMA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bishop Okiring Kamuneru ACK Secondary School set out on pages 1 to 16, which comprise the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bishop Okiring Kamuneru ACK Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Balances in the Financial Statements

The statement of receipts and payments reflects Kshs.12,680,344 and Kshs.12,861,340 in respect of total receipts and payments respectively. However, the supporting schedules and ledgers were not provided for audit.

Further, the statement of cash flows reflects comparative balance of working capital adjustments totaling Kshs.(479,945) whereas such items were not reported in the prior year financial statements. In addition, the comparative balance of cash flows from investing activities had Nil balance whereas the prior year financial statements reported the amount as Kshs.1,177,992.

Note 7 to the financial statements on boarding and school fund payments reflected an amount of Kshs.5,596,042 but the recalculated amount is Kshs.9,793,372 resulting in an unexplained variance of Kshs.4,197,330. Similarly, Note 12 to the financial statements reported total prior year amount of Kshs.10,021,317 while on casting the amount is Kshs.10,121,317 resulting in an unexplained variance of Kshs.100,000.

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

2. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects Government grants for operation amount of Kshs.5,313,404 as disclosed in Note 2 to the financial statements. However, review of NEMIS capitation disbursements made to the school and the amount receipted by the school revealed an amount of Kshs.5,007,804 for operations, resulting in an unexplained variance of Kshs.305,600.

In the circumstances, the accuracy and completeness of the Government grants for operation amount of Kshs.5,313,404 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflect cash and cash equivalents balance of Kshs.302,744. Included in the amount are bank balances and cash balances of Kshs.302,510 and Kshs.234 respectively as disclosed in Notes 8 and 9 to the financial statements. However, the cash and cash equivalents balance were not supported by bank reconciliation statements and board of survey report.

Further, the certificate of bank balances and bank statements for tuition account with a balance of Kshs.7,821 were not provided for audit.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.302,744 could not be confirmed.

4. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.10,122,719 as disclosed in Note 10 to the financial statements. However, the relevant schedules, supporting debtors' statements and their aging analysis were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.10,122,719 could not be confirmed.

5. Unsupported Accounts Payable

The statement of assets and liabilities reflect accounts payable balance of Kshs.933,595 as disclosed in Note 11 to the financial statements. However, the detailed movement schedule indicating the particulars of creditors, opening balances, purchases, payments and the closing balance were not provided for audit.

In the circumstances, the accuracy, existence and completeness of accounts payable balance of Kshs.933,595 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The School received operations capitation grants of Kshs.5,007,804 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,725,193 which was to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.1,372,000 was transferred to infrastructure account leaving a balance of Kshs.381,193 as at 30 June, 2022. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Government Guidelines.

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

The statement of receipts and payments reflects operation payments of Kshs.5,722,578 as disclosed in Note 6 to the financial statements. Included in the expenditure is an

amount of Kshs.149,459 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.149,459 could not be confirmed.

3. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

- i. Management presented statement of assets and liabilities instead of statement of financial assets and financial liabilities as per the reporting template.
- ii. The presentation of statement of cash flows included items of working capital adjustments. The requirement is that cash flows should be prepared using direct method.
- iii. The statement of budgeted versus actual amounts did not have commentary on the significant under/overutilization of the budget. The budget was also unbalanced.
- iv. Annex 1 and 2 on analysis of pending accounts payable and summary of fixed assets register respectively were not detailed.

Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

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

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 09 March, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

5. Human Resource Management Inefficiencies

Note 7 to the financial statements reflect boarding and school fund payments of Kshs.5,596,042. Included in this amount is Kshs.534,260 in respect of personnel

emoluments paid to the School's Board of Management teachers and non-teaching staff. However, Management did not provide the approved staff establishment and terms and conditions of service to confirm the recruitment needs. This was contrary to Section 13 of the Fourth Schedule of the Basic Education Act, 2013 which requires the Board of Management to employ its staff, upon such terms and conditions of service as the County Education Board may determine.

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

6. Excess Supply of Books

During the year under review, the Ministry of Education (MOE) distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed two hundred and sixty-seven (267) books to the School while only one hundred and thirty-seven (137) books were issued to the students, resulting to an unexplained excess text books of one hundred and thirty (130) in the School's store.

In the circumstances, value for money on the excess one hundred and thirty (130) text books could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.10,122,719 as disclosed in Note 10 to the financial statements. Included in the balance is an amount of Kshs.8,522,465 which had been outstanding for more than two (2) years. However, there was no policy on impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Lack of Information Communication Technology (ICT) Facility

Review of the ICT environment revealed that the School does not have an established ICT set up. Further, it has not automated the accounting function and other critical operations which might lead to data manipulation and hence the accuracy, reliability and integrity of the data processed may be put in doubt.

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

3. Weaknesses in the Board of Management

During the audit held in March 2025, the School Management did not provide for audit the appointment and acceptance letters of the Board of Management. Further, as per the Fourth Schedule of the Basic Education Act, 2013, the Board of Management was to constitute five committees, though, the list of committee members and evidence of meetings conducted, board calendar or workplan outlining the activities for the year were not provided for review.

In addition, review of payment vouchers revealed total amount of Kshs.335,220 was paid out as allowances to the Board members. However, it was not supported by attendance register, notice of meeting and minutes.

In the circumstances, the effectiveness of the governance mechanism at the School could not be confirmed.

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

Responsibilities of the Management and Board of Management

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 May, 2026

V. Statement of Receipts and Payments for the year ended 30th June 2022

Description of vote head	Note	2021/2022	2020/2021
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,146,833	375,549
Government grants for operation	2	5,313,404	2,509,926
School fund income parents contribution	3	4,848,107	1,844,300
Government grants for infrastructure	4	1,372,000	-
Total receipts		12,680,344	4,729,775
Payments			
Tuition	5	1,542,720	355,480
Operation	6	5,722,578	2,018,752
Infrastructure repayments		-	1,177,992
Boarding and school fund	7	5,596,042	1,626,004
Total payments		12,861,340	5,178,228
Surplus/deficit		(180,995)	(448,453)

The school financial statement was approved on 30th June 2022 and signed by:

DUNCAN CHESOSI

MOSES SIKOWO

EMILY BUKELEMBE

Signature: *[Signature]*

[Signature]

[Signature]

Chair BOM

School Principal/secretary BOM

Bursar/ Finance officer

Date: 20.5.2022 Date: Date:

19.5.2022

VI. STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 30TH JUNE 2022

DESCRIPTION	NOTE	2021-2022 KSH	2020-2021 KSH
Financial Assets			
Cash and cash equivalent			
Bank balances	8	302,510	739,428
Cash balances	9	234	1084
Short term investments		-	-
Total cash and cash equivalent		302,744	740,512
Account receivables	10	10,122,719	11,849,765
Total financial assets		10,425,463	12,590,277
Financial liabilities			
Account payables	11	(933,595)	(2,917,414)
Net financial assets		9,491,868	9,672,863
Accumulated fund b/ fwd.	12	9,672,563	10,121,317
Surplus/deficit for the year		(180,995)	(448,453)
Net financial position		9,941,868	9,672,863

The schools financial statements were approved on 19/5/26 and signed by:

DUNCAN CHESOSI

MOSES SIKOWO

EMILY BUKELEMBE

Signature 

Date 20.5.2026

Chair BOM

School Principal

Bursar/Finance officer

VII. Statement of cash flows for the year ended 30th June 2022

Description	Note	2021/2022	2020/2021
Cash from operating activities			
Receipts			
Government grants for tuition		1,146,833	375,549
Government grants for operation		5,313,404	2,509,926
Infrastructure		1,372,000	-
School fund income-parents contribution		4,848,107	1,844,300
Total receipts		12,680,344	4,729,778
Payments			
Cash outflow for tuition		1,542,720	355,480
Cash outflow for operation		5,722,578	2,018,752
Cash outflow for school fund		5,596,042	2,105,949
Total payments		12,861,340	4,480,186
Net cash inflow/outflow from operating activities		(180,996)	249,594
Decrease/increase) in account receivables		1,727,046	(346,490)
Increase/decrease) in account payables		(1,983,819)	(133,455)
Cash flow/outflow from investing activities			
Acquisition of assets			
Proceeds from investments			
Cash flows from borrowing activities			
Net increase/decrease in cash and cash equivalent		(437,768)	(928,398)
Cash and cash equivalent at the beginning of the FY		740,512	1,668,910
Cash and cash equivalent at the end of the FY		302,744	740,512

The schools financial statements were approved on 19/5/26 and signed by:

DUNCAN CHESOSI

MOSES SIKOWO

EMILY BUKELEMBE

Signature *Enad*

Date 20/5/2026
FOR

Chair BOM

School principal

Bursar/Finance Officer

VII) Statement of budget versus the actual amounts for the year ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-				
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	1,243,200		1,243,200	1,146,833	92%
Exams And Assessment					
Sub-total	1,243,200		1,243,200	1,146,833	92%
(2) Capitation Grant on Operations					
Personnel Emoluments				1,836,500	0%
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water	2,820,000		2820,000	3,405,504	121%
Medical	600,000		600,000	71,400	12%
Administration Costs					
Activity					
Gratuity					
Subtotal	3,870,000		3,870,000	5,313,404	137%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MOE	1,500,000		1,500,000	1,372,000	92%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Sub-total	1,500,000		1,500,000	1,372,000	92%
(4) Fees Charged on Parents					
Personnel Emoluments	3,388,850		3,388,850	4,079,390	120%
Others					
Local Transport / Travelling	3,218,650		3,218,650	664,717	21%
Electricity And Water					
Bus				74,500	0%
Tender				12,000	0%
Activity	462,500		462,500	17,500	4%
SMASSE					
Sub-total	7,070,000		7,070,000	4,848,107	69%
5) Miscellaneous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income	13,683,200		13,683,200	12,680,344	93%
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	1,243,200		1,243,200	1,535,920	124%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges				6800	0%
Sub-total	1,243,200		1,243,200	1,542,720	124%
(7) Expenditure For Operations					
Personnel Emoluments					

BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
Annual Report and Financial Statement for the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Others	2,820,000		2,820,000	3,984,179	141%
Local Transport / Travelling					
Repair maintenance and improvement				1,374,860	0%
Medical	600,000		600,000	67,080	11%
Administration Costs					
Activity Expenses	450,000		450,000	296,459	66%
Gratuity					
SMASSE					
Sub-total	3,870,000		3,870,000	4,347,718	112%
(8) Expenditure For infrastructure					
Construction of classrooms	1,500,000		1,500,000	1,398,352	92%
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Bank charges					
Sub -total	1,500,000		1,500,000	1,398,352	92%
(9) Expenditure For school fund/lunch/boarding					
Lunch programme	3,388,850		3,388,850	3,106,595	38%
Activity				50,000	0%
others	373,650		373,650	986,935	91%
Bus				41,800	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Tender				12,000	
Bank charges				360	
Acquisition of assets					
sub-total	3,762,500		3,762,5000	4,197,690	53%
TOTAL	10,375,700		10,375,700	11,486,480	111%

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* recognizes 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 authorized 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 fulfillment of obligations by the

contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes to the financial statements

1. Government Grants for Tuition

Description	2021-2022	2020-2021
Exercise books		99,360
Teaching/learning materials	1,148,833	276,189
Total	1,146,833	375,549

2. Government Grants for Operation

Description	2021-2022	2020-2021
Others	3,405,504	1,369,926
Repairs and maintenance	1,836,500	1,080,000
Local transport/travelling	-	-
Electricity and water	-	-
Medical	71,400	-
Administration costs	-	-
Activity	-	-
BOM teachers	-	60,000
Total	5,313,404	2,509,926

3. Parents Contribution/Fees School Fund Account

Description	2021-2022	2020-2021
Personnel emoluments	-	12,700
Local transportation /travelling	-	723
Electricity and water	-	-
Lunch	4,079,390	1,761,937
Tender fee	12,000	65,940
Activity	17,500	-
Bus hire	74,500	3,000
Others	664,717	-
Total	4,848,107	1,844,300

NOTES ON FINANCIAL STATEMENT (continued)

4. Other Receipts Infrastructure Account

Description	2021-2022	2020-2021
M.I	1,372,000	-
Total	1,372,000	-

5. Payments for Tuition

Description	2021-2022	2020-2021
Laboratory equipment	-	200,000
Teaching and learning materials	-	155,000
LTM	1,535,920	-
Bank charges	6,800	480
Total	1,542,720	355,480

6. Payments for Operation

Description	2021-2022	2020-2021
Repairs and maintenance	1,374,860	53,120
Medical	67,080	-
Activity expenses	296,459	58,310
Others	3,984,179	1,907,322
Total	5,722,578	2,018,752

7. Boarding and School Fund Payment

Description	2021-2022	2020-2021
Personal emoluments	534,260	25,000
Repairs and maintenance	-	12,500
Local transport/travelling	61,400	37,500
Electricity and water	20,500	29,700
Administration costs	370,775	236,284
Lunch program me	3,106,595	1,285,020
Expenses on income generating activities (bus hire)	41,800	-
Tender fees	12,000	-
Activity	50,000	-
Acquisition of assets	4,197,330	1,626,004
Bank charges	360	240
Infrastructure	1,398,352	1,177,752
Total	5,596,042	2,803,996

NOTES ON FINANCIAL STATEMENT (continued)

8. Bank Account

Description	Status	Bank account number	2021-2022	2020-2021
Tuition account	Active	01139049955600	7,821	108,708
Operation account	Active	01139049955601	13,926	221,736
School fund account/boarding	Active	1109508859	657	52,166
Infrastructural account	Active	01139049955602	280,106	356,817
Total			302,510	739,428

9. Cash in Hand

Description	2021-2022	2020-2021
Tuition account	-	-
Operation account	234	234
School fund account/boarding	-	850
Saving account	-	-
Total	234	1084

10. Accounts Receivables

Description	2021-2022	2020-2021
Fees arrears	9,822,719	11,849,765
Other non-fees receivables	300,000	-
Salary advances	-	-
Imprest	-	-
Total	10,122,719	11,849,765

10 b. Ageing of the Fees/Non Fees Arrears

Description	2021-2022	2020-2021
Fees arrears for the current year	1,300,254	355,190
Fees arrears for the previous year	-	945,830
Fees arrears prior periods (over 2 years)	8,522,465	10,548,745
Total	9,822,719	11,849,765

11. Accounts Payable

Description	2021-2022	2020-2021
Trade creditors	848,250	2,917,414
Prepaid fees	85,345	-
Retention monies	-	-
Total	933,595	2,917,414

11 b. Ageing of the Creditors Arrears

Description	2021-2022	2020-2021
Trade creditors for current year	811,130	-
Trade creditors for the previous year	21,120	-
Trade creditors for prior periods (over 2 years)	16,000	2,917,414
Total	848,250	2,917,414

12 Fund Balances Brought Forward (Closing 2020/2021)

Description	2021-2022	2020-2021
Bank balances	739,429	1,668,911
Cash balances	1,084	-
Short term investment	-	-
Receivables/ Debtors	11,849,765	11,503,275
Payables/ Creditors	(2,917,414)	(3,050,869)
Total	9,672,563	10,021,317

Other important disclosure notes

Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Stock/ inventory at beginning of the year	xxx	xxx
Stock/ inventory purchased during the year	xxx	xxx
Stock/ inventory issued during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
Construction of two classrooms		2021/2022				
Supply of goods						
Teaching and learning materials		2021/2022			295,000	
M.I (Lockers and sits)					450,000	
		2021/2022				
Activity					103,250	
Grand Total					848,250	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1						
Land 2						
Buildings and structures			11,880,000			11,880,000
Motor vehicles	2021		6,000,000	-		6,000,000
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total			17,880,000			17,880,000

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