

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL


ON

**ST. THOMAS AQUINAS BOYS THOMEANDU
SECONDARY SCHOOL**

FOR YEAR ENDED

30 JUNE, 2022

MAKUENI COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
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***ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
P.O BOX 84 – 90130 NUNGUNI***

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)

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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 MAKUENI County, KILUNGU Sub-County

The school was registered in 4/9/2019 under registration number 17S30000002. It is currently categorized as an EXTRA-COUNTY PUBLIC CATHOLIC SPONSORED BOYS SCHOOL established, owned or operated by the Government.

The school is a PUBLIC BOYS BOARDING SECONDARY SCHOOL and had 577 students as at 30th June 2022. It has 12 streams and 25 teachers out of which 8 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.	DR. FREDRICK M. KASOMI	Chairman	27TH JULY 2019
2.	MR. GOTONGA PAUL	Secretary - Principal	27TH JULY 2019
3.	MR. BERNARD MALONZA	Secretary- Principal	29TH DEC 2023
4.	MR. PETER MUKEKU	Vice Chairman	27TH JULY 2019
5.	MR. ERIC LEE MULWA	Member	27TH JULY 2019
6.	PROF. MUNYAE MULINGE	Member	27TH JULY 2019
7.	ENG. JOHN KYALO MULELA	Member	27TH JULY 2019
8.	MR. STEPHEN MATEE	Member	27TH JULY 2019
9.	MR. DANIELMUTUKU MUSOMI	Member Rep Teachers	27TH JULY 2019
10.	FR. BONIFACE NZOMO	Member - Sponsor	27TH JULY 2019
11.	MR. SEBASTIAN MUSYOKI	Member - Community	27TH JULY 2019
12.	MR. JOSEPH KIMOTE	Member	27TH JULY 2019
13.	KELVIN KIMEU	Rep Students	27TH JULY 2019
14.	MRS. BILHA MUKEKU	Member	27TH JULY 2019
15.	M/STERRY MUNYAE	Member	27TH JULY 2019
16.	M/S FAITH K. MUTAVI	Member	27TH JULY 2019
17.	MRS. ELIZABETH NZIOKA	Member	27TH JULY 2019
18.	QS. JACKSON MUTULA KAUSLI	Member	27TH JULY 2019
19.	MR. LAWRENCE W. MAKAU	Member P.A REP	27TH JULY 2019

Key School Information and Management (Continued)

The function of the School Board of Management includes:

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

(e) Committees of the Board

Ref:	Name of Committee	NAMES OF MEMBERS	Designation	Number of meetings attended during the
1	Executive Committee	DR. FREDRICK KASOMI MR. PETER MUKEKU MR. GITONGA PAUL MR. SEBASTIAN MUSYOKI MR. LAWRENCE MAKAU MRS. BILHA MUKEKU	Chairman Member Secretary-Principal Member Member-PA Member	3 OUT OF 3 OUT OF 3 OUT OF 1 OUT OF 2 OUT OF 1 OUT OF
2	Audit Committee	1.Prof. Mulinge Munyae 2.Mr. Stephen Matee 3.M/s Emmaculate Syokau		
3	Finance,procurement and general purposes Committee			
4	Academic Committee	1. Eng. Kyalo Mulela 2.Dr. Fredrick Kasomi 3.Mr. Lawrence Makau 4.Prof. Munyae Mulinge	Chairperson Secretary Member Member	1/1 1/1 1/1 1/1

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

5	Development Committee	1 Mr. Peter Mukeku 2 Dr. Fredrick Kasomi 3 Ms. Faith Mutavi 4 Mrs. Marietta Wambua	Chairperson Member Member Member	2/2 2/2 2/2 2/2
6	Discipline and welfare Committee	1.Qs. Jackson Kasuli 2.Ms. Emmaculate Syokau 3.Mr. Sebastian Musyoki 4.Mrs. Ruth Wambua	Chairperson Secretary Member Member	0/0 0/0 0/0 0/0
7	Adhoc Committee (if any during the year)			

(a) School operation Management:

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	MR. PAUL GITONGA	TSC NO.371652
2	Deputy Principal	MR. URBANUS MUTUKU	TSC NO 373092
3	School Bursar	MARY MUANGE	ID NO 27883544

(e) Schools contacts

Post Office Box: 84 – 90130 NUNGUNI
 Telephone: 0757 609 686
 E-mail: thomeb43@gmail.com

(f) School Bankers

The following school operated 4 bank accounts in the following banks:

1. ACCOUNT NAME: TUITION ACCOUNT
Name of Bank: KCB
Branch: MACHAKOS
Account Number: 1206800917

2. ACCOUNT NAME: OPERATION ACCOUNT
Name of Bank: KCB
Branch: MACHAKOS
Account Number: 1206801360

3. ACCOUNT NAME INFRASTRUCTURE ACCOUNT
Name of Bank: KCB BANK
Branch: MACHAKOS
Account Number: 1210824639

4. ACCOUNT NAME BOARDING ACCOUNT
Name of Bank: EQUITY
Branch: MACHAKOS
Account Number: 0600294155765
NB:-Pay bill business number 247247 account numbers 995524 attached to boarding account number 0600294155765 in EQUITY BANK Machakos BRANCH.

(g) Independent Auditors

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

II. Summary Report of Performance of the School

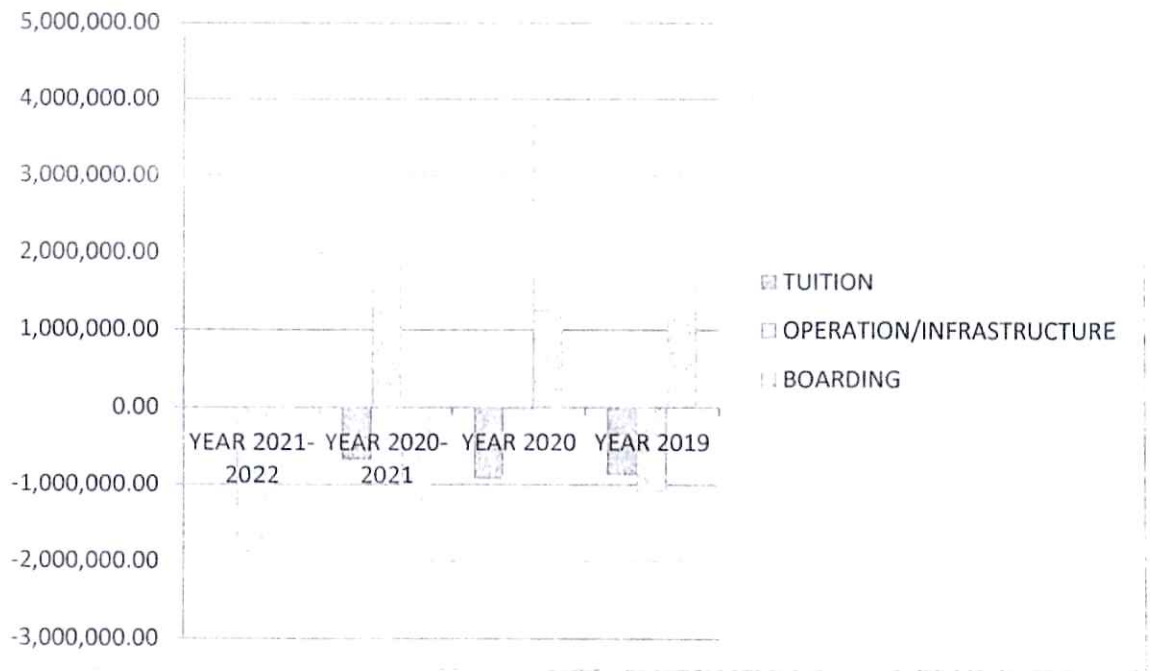
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

- Surplus/ deficit for the year and a comparison of the same for the last three years

S/N O	ACCOUNT	2021 /2022 12 MONTHS	2020 / 2021 6 MONTHS	YEAR 2020	YEAR 2019
1	TUITION	7,495.00	(681,036.00)	(919,644.00)	(870,608.80)
2	OPERATION / INFRASTRUCTURE	(1,881,490.00)	2,422,578.05	(27,432.00)	(1,091,225.50)
3	BOARDING	(780,299.00)	(1,200,654.00)	3,773,936.00	2,119,291.35
	DEVELOPMENT				
	TOTALS	(2,654,294.00)	530,888.05	3,826,860.00	157,457.05

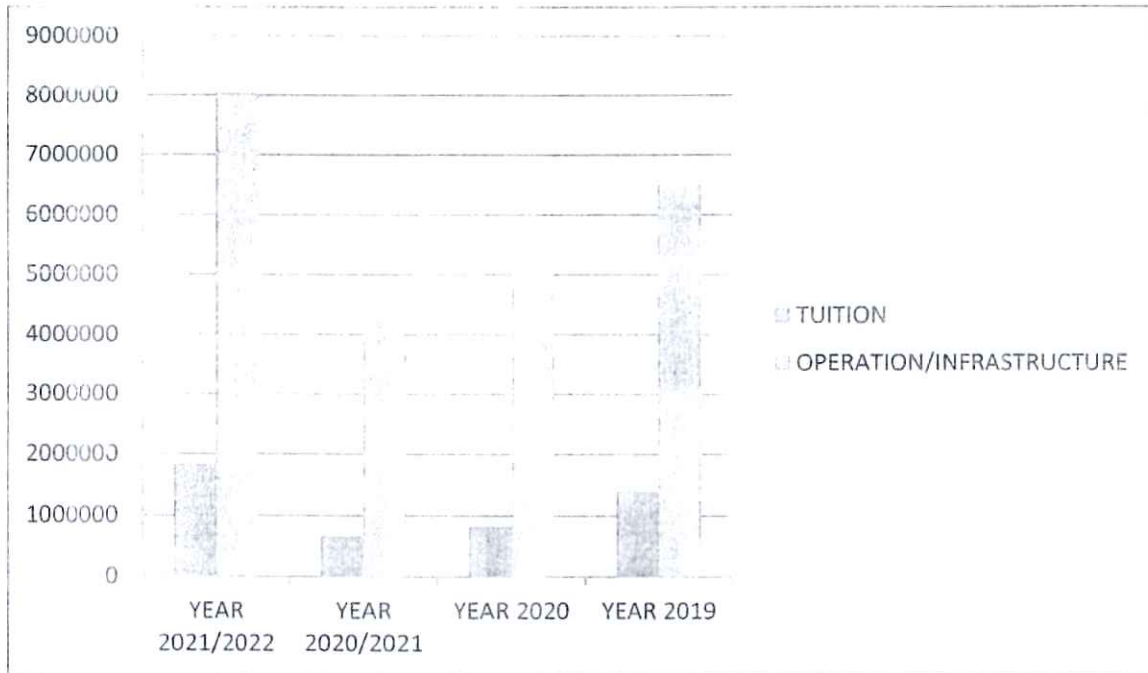
GRAPHICAL PRESENTATION SURPLUS/DEFICIT



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

S/N O	ACCOUNT	2021 /2022 12 MONTHS	2020 / 2021 6 MONTHS	YEAR 2020	YEAR 2019
1	TUITION	1,834,970.00	664,538.00	827,314.00	1,403,537.20
2	OPERATION / INFRASTRUCTURE	8,024,713.00	4,714,005.05	5,318,375.00	6,508,114.50
	TOTALS	9,859,683.00	5,378,543.05	6,145,689.00	7,911,651.70

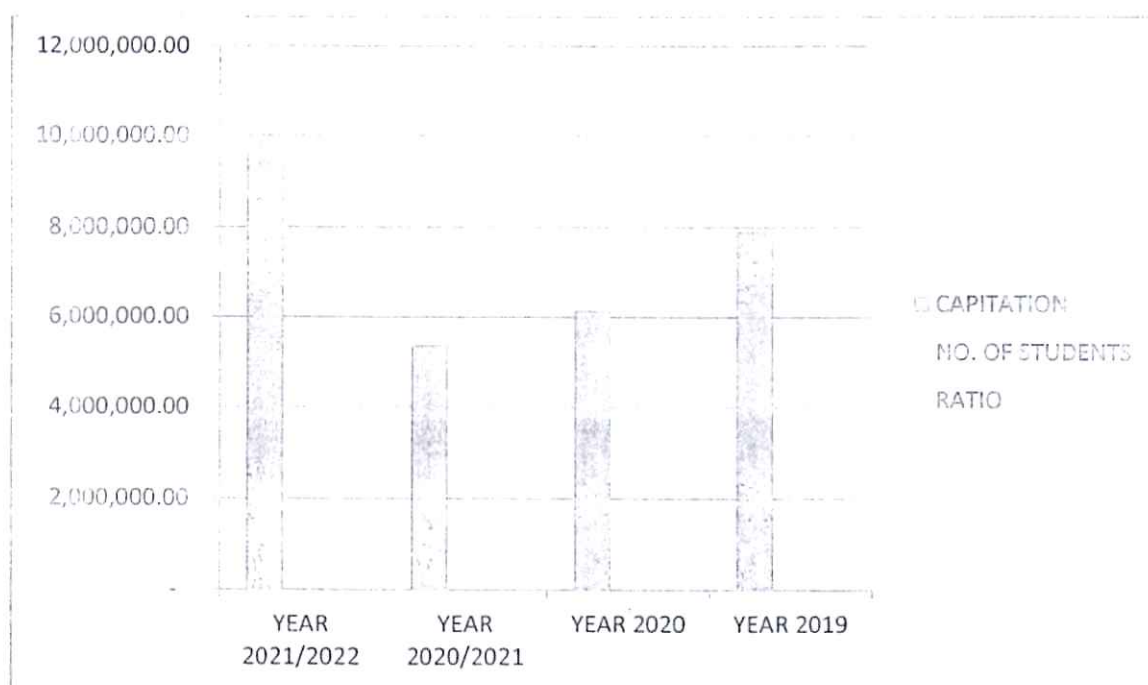
GRAPHICAL PRESENTATIONCAPITATION GRANTS



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

S/NO	ACCOUNT	2021 /2022 12 MONTHS	2020 / 2021 6 MONTHS	YEAR 2020	YEAR 2019
1	CAPITATION	9,859,683.00	5,378,543.05	6,145,689.00	7,911,651.70
2	NO OF STUDENTS	577	509	511	447
3	RATIO	1:17,185.41	1:10,566.88	1:12,026.79	1:17,699.44

GRAPHICAL PRESENTATION RATIO OF CAPITATION GRANT

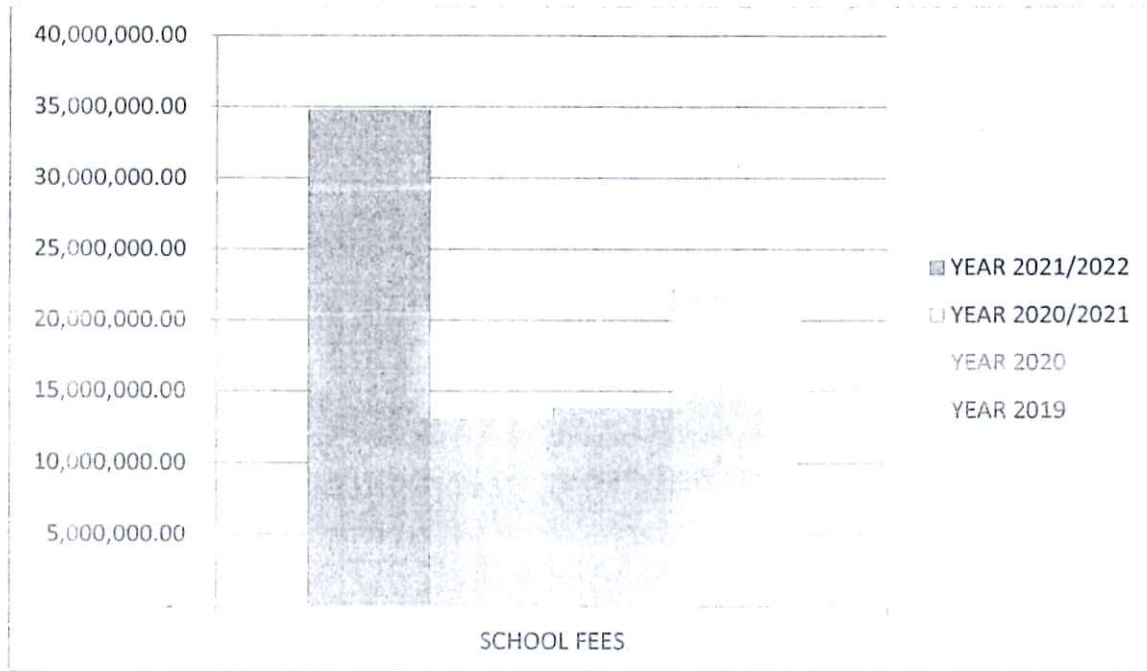


ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

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

<i>S/NO</i>	<i>ACCOUNT</i>	<i>2021 /2022</i> <i>12 MONTHS</i>	<i>2020 / 2021</i> <i>6 MONTHS</i>	<i>YEAR 2020</i>	<i>YEAR 2019</i>
<i>1</i>	<i>SCHOOL FEES</i>	<i>34,781,813.00</i>	<i>13,049,513.00</i>	<i>13,893,487.00</i>	<i>22,440,379.75</i>
	<i>TOTALS</i>	<i>34,781,813.00</i>	<i>13,049,513.00</i>	<i>13,893,487.00</i>	<i>22,440,379.75</i>

GRAPHICAL PRESENTATIONGROWTH OF OTHER INCOME

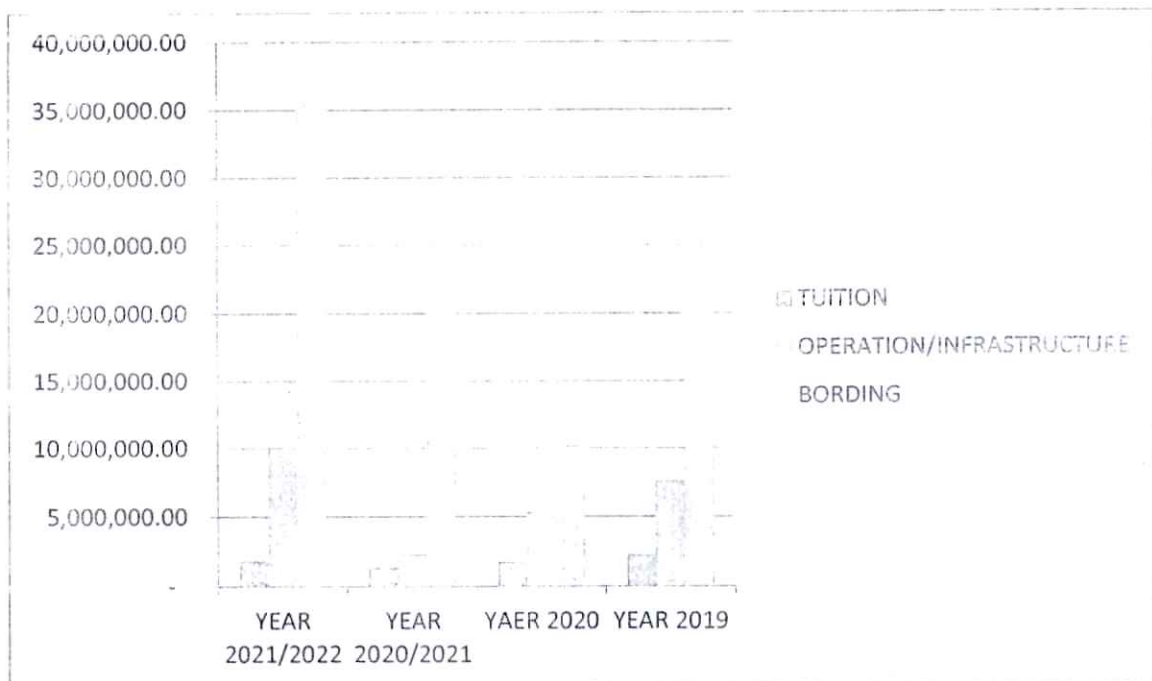


ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
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- A three-year overview of growth in expenditure of the school

S/NO	ACCOUNT	2021 / 2022 12 MONTHS	2020 / 2021 6 MONTHS	YEAR 2020	YEAR 2019
1	TUITION	1,827,475.00	1,355,574.00	1,746,958.00	2,274,146.00
2	OPERATION / INFRASTRUCTURE	9,906,203.00	2,291,427.00	5,345,807.00	7,599,340.00
3	BOARDING ACCOUNT	35,385,012.00	21,290,167.00	10,119,551.00	20,321,088.40
	TOTALS	47,118,690.00	25,703,468.00	17,212,316.00	30,194,574.40

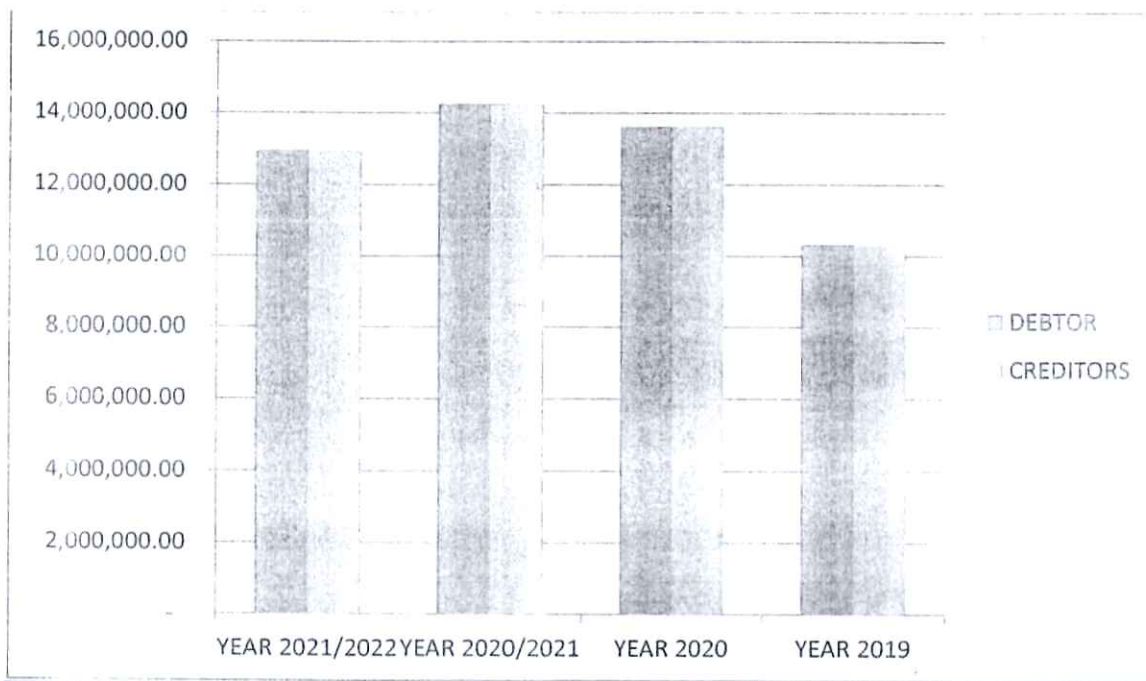
GRAPHICAL PRESENTATION GROWTH IN EXPENDITURE



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

S/NO	ACCOUNT	2021 /2022 12 MONTHS	2020 / 2021 6 MONTHS	YEAR 2020	YEAR 2019
1	DEBTORS (RECEIVABLES)	12,950,282.00	14,263,843.00	13,623,048.00	10,316,759.00
2	CREDITORS (PAYABLES)	12,950,282.00	14,263,843.00	13,623,048.00	10,316,759.00

GRAPHICAL PRESENTATION DEBTORS AND CREDITORS

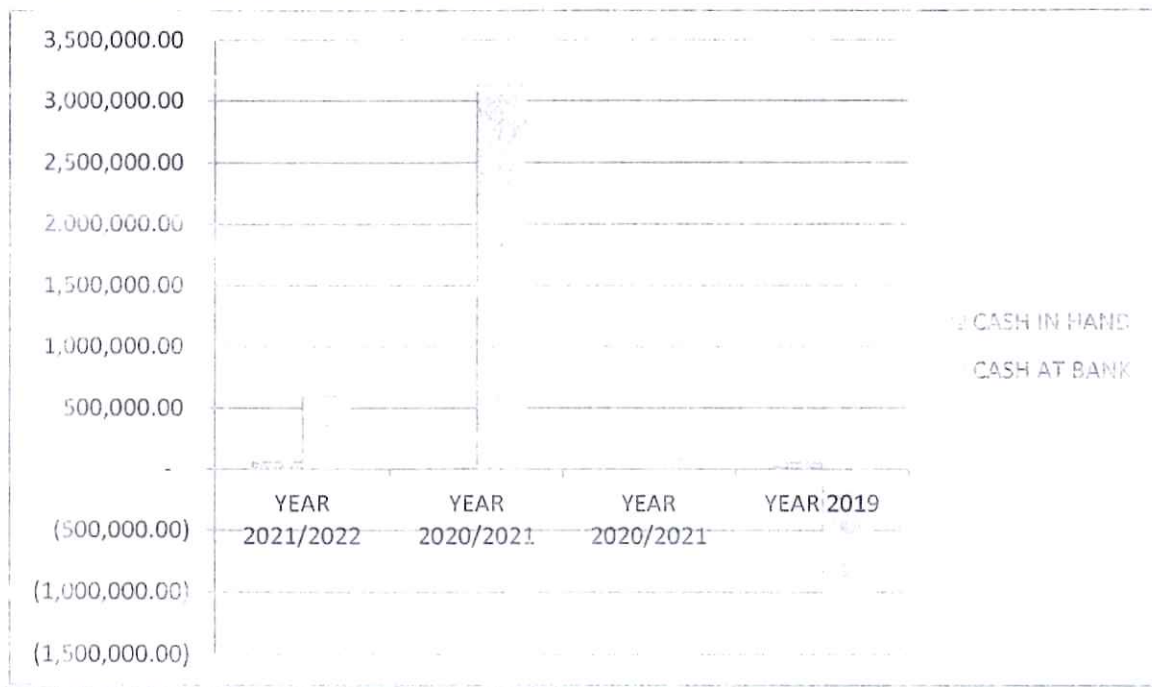


ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
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- *Movement of cash and bank balances over the last three years*

S/NO	ACCOUNT	2021 /2022 12 MONTHS	2020 / 2021 6 MONTHS	YEAR 2020	YEAR 2019
1	CASH IN HAND	65,120.00	9,570.00	73.00	58,035.00
2	CASH AT BANK	599,678.00	3,132,422.00	83,182.37	(1,,150076.60)
	TOTALS	664,798.00	3,141,992.00	83,254.37	(1,092,041.60)

GRAPHICAL PRESENTATION CASH AND BANK BALANCES



b) Teacher Student ratio:

<i>PARTICULARS</i>	<i>YEAR ENDED 30TH JUNE 2022</i>	<i>YEAR ENDED 30TH JUNE 2021</i>	<i>YEAR 2020</i>	<i>YEAR 2019</i>
<i>ENROLLMENT</i>	559	509	511	447
<i>NUMBER OF TEACHERS</i>	25	21	22	21
<i>TEACHER STUDENT RATIO</i>	1:22	1:24	1:23	1:21
<i>TEACHERS UNDER TSC</i>	18	16	16	15
<i>TEACHERS UNDER BOM TERMS</i>	7	5	6	6
<i>RECRUITED TEACHERS BY TSC</i>	N/A	N/A	N/A	N/A
<i>RETIRED/TRANSFERED</i>	N/A	N/A	N/A	N/A
	<i>SUBJECTS COMBINATION</i>	<i>TSC employed</i>	<i>BOM employed</i>	<i>TSC Number</i>
<i>TEACHERS PER SUBJECT:-</i>	<i>CRE / GEO</i>	1	N/A	662286
	<i>ENGLISH / LIT</i>	3	1	575674 503377 534457 850862
	<i>MATHS / PHY</i>	2	1	558842 373092 978131
	<i>MATHS/CHEM</i>	1	1	523451 974711
	<i>BST / MATHS</i>	3	N/A	652474 774191 371652
	<i>GEO/BST</i>	1	N/A	676962
	<i>KISW / HIST</i>	2	N/A	603901 753511
	<i>KISW/CRE</i>		1	772460

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
 Reports and Financial Statements for the year ended 30th June 2022

b) Teacher Student ratio:

<i>PARTICULARS</i>	<i>YEAR ENDED 30TH JUNE 2022</i>	<i>YEAR ENDED 30TH JUNE 2021</i>	<i>YEAR 2020</i>	<i>YEAR 2019</i>
<i>ENROLLMENT</i>	559	509	511	447
<i>NUMBER OF TEACHERS</i>	25	21	22	21
<i>TEACHER STUDENT RATIO</i>	1:22	1:24	1:23	1:21
<i>TEACHERS UNDER TSC</i>	18	16	16	15
<i>TEACHERS UNDER BOM TERMS</i>	7	5	6	6
<i>RECRUITED TEACHERS BY TSC</i>	N/A	N/A	N/A	N/A
<i>RETIRED/TRANSFERED</i>	N/A	N/A	N/A	N/A
	<i>SUBJECTS COMBINATION</i>	<i>TSC employed</i>	<i>BOM employed</i>	<i>TSC Number</i>
<i>TEACHERS PER SUBJECT:-</i>	<i>CRE / GEO</i>	1	N/A	662185
	<i>ENGLISH / LIT</i>	3	1	575674 503377 534457 859862
	<i>MATHS / PHY</i>	2	1	558842 373092 978131
	<i>MATHS/CHEM</i>	1	1	523451 974711
	<i>BST / MATHS</i>	3	N/A	652474 774191 371652
	<i>GEO/BST</i>	1	N/A	676962
	<i>KISW / HIST</i>	2	N/A	603901 753511
	<i>KISW/CRE</i>		1	772460

d) Number of Candidates in the 2019 – JUNE 2022 KCSE:

<i>PARTICULARS</i>	<i>YEAR ENDED 30TH JUNE 2022</i>	<i>YEAR ENDED 30TH JUNE 2021</i>	<i>YEAR 2020</i>	<i>YEAR 2019</i>
<i>KCSE CANDIDATES</i>	159	100	115	69

e) Capacity of the school:

<i>ITEMS</i>	<i>YEAR ENDED 30TH JUNE 2022</i>	<i>YEAR ENDED 30TH JUNE 2021</i>	<i>YEAR 2020</i>	<i>YEAR 2019</i>
<i>CLASSROOMS</i>	12	12	10	10
<i>COMPUTER LABORATORY</i>	1	1	1	1
<i>SCIENCE LABORATORY</i>	2	2	2	2
<i>LIBRARY</i>	1	1	1	1
<i>STAFFROOM</i>	1	1	1	1
<i>DINNING HALL</i>	1	1	1	1
<i>PLASTIC WATER TANKS- 10,000Litres</i>	9	9	9	8
<i>5,000 Litres</i>	1	-	-	-
<i>2,000 Litres</i>	1	1	1	-
<i>CONCRETE WATER TANK (Main water supply)</i>	1	1	1	1
<i>CONCRETE WATER TANK (10,000Litres)</i>	1	1	1	1
<i>STAFF QUARTERS (10,000L)</i>	2	2	2	2
<i>OFFICES---PRINCIPAL</i>	1	1	1	1
<i>D/PRINCIPAL</i>	1	1	1	1
<i>ACCOUNTS</i>	1	1	1	1
<i>SECRETARY</i>	1	1	1	1
<i>DORMITORY</i>	11	10	10	10

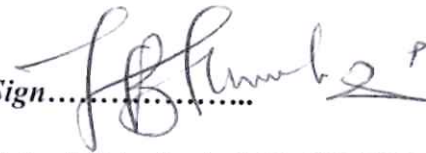
ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
 Reports and Financial Statements for the year ended 30th June 2022

(Main water supply)				
CONCRETE WATER TANK (10,000Litres)	1	1	1	1
STAFF QUARTERS (10,000L)	2	2	2	2
OFFICES---PRINCIPAL	1	1	1	1
D/PRINCIPAL	1	1	1	1
ACCOUNTS	1	1	1	1
SECRETARY	1	1	1	1
DORMITORY	11	10	10	10
STAFF HOUSES	17	17	17	17
STAFF LATRINES	6	6	6	6
STUDENT LATRINES	Tuition-1 With 20 pits Dormitory- 1 with 10 pits	Tuition- 1 With 20 pits Dormitory- 1 with 10 pits	Tuition- 1 With 20 pits Dormitory- 1 with 10 pits	Tuition-1 With 20 pits Dormitory- with 10 pits
FOOD STORE	1	1	1	1
KITCHEN	1	1	1	1
BORE HOLE	A well	A well	A well	A well
SCHOOL BUS---51 SEATER	1	1	1	1
39 SEATER	1	1	1	1
LAND WITH LEGAL OWNERSHIP—LR				

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

<i>S/NO</i>	<i>PROJECT FUND SOURCE</i>	<i>YEAR ENDED 30TH JUNE 2022</i>	<i>YEAR 2021</i>	<i>YEAR 2020</i>
1	MOEST FUNDS- Repair maintenance and improvement funds	-construction of storey dormitory for boys—project ongoing. KSH. 3,474,497.00	-construction of storey dormitory for boys—project ongoing. KSH.1,266,500.00	-construction of storey dormitory for boys— project began. KSH. 1,810,635.00

Sign.....

School Principal: MR. GITONGA PAUL
DATE: 24/07/2024

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 (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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *St. Thomas Aquinas Boys Thomeandu Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.


SIGN.....

Name: **DR. FREDRICK M. KASOMI**

Designation: Chairman, School Board of Management

Date: 24/07/2024


SIGN.....

Name: **MR. GITONGA PAUL**

Designation: School Principal & Secretary to Board of Management

Date: 24/07/2024


SIGN.....

Name: **MARY MUANGE**

Designation: Bursar/ Finance Officer

Date: 24/07/2024

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 ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – MAKUENI COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Thomas Aquinas Boys Thomeandu Secondary School – Makueni County set out on pages 21 to 42, which comprise of the statement of financial assets and financial 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

Report of the Auditor-General on St. Thomas Aquinas Boys Thomeandu Secondary School for the year ended 30 June, 2022 – Makueni County

accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St.Thomas Aquinas Boys Thomeandu Secondary School – Makueni County as at 30 June, 2022 and its financial performance and 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

Unsupported Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects fee arrears receivables balance of Kshs.12,950,282 as disclosed in Note 11 to the financial statements. However, no evidence was provided to support receivables balance of Kshs.9,085,015 which was outstanding for over two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.9,085,015 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budget versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.46,558,650 and Kshs.44,641,496 respectively, resulting to under-collection of Kshs.1,917,154 or 4% of the approved budget. However, the School spent Kshs.47,118,690 against expenditure budget of Kshs.44,641,496 resulting to over-utilization of Kshs.2,477,194.

The under-collection affected the planned activities and may have impacted negatively on the School's activities. Further, approval for the over expenditure was not provided for audit.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of previous year, one issue was raised under the report on Financial Statements, and several issues under Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statement of receipts and payments reflects capitation grants for operations amount of Kshs.8,024,713 as disclosed in Note 2 to the financial statements. However, out of the amount, Kshs.200,250 was not transferred to the infrastructure account as required by the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021.

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

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

The statements of receipts and payments reflects payments for operations amount of Kshs.9,906,203 as disclosed in Note 6 to the financial statements which includes transfers of Kshs.621,957 to Kenya Secondary Schools Heads Association (KESSHA). KESSHA is a welfare organization that is not recognized by the Public Finance Management Act, 2012 and draws its membership from Schools Principals only.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.621,957 could not be confirmed.

3. Long Outstanding Accounts Payables

The statement of financial assets and liabilities and Note. 12 to the financial statements reflects accounts payables balance Kshs.12,950,282 which includes Kshs.2,608,168 owed to two (2) creditors by the School that has been outstanding for over two (2) years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act 2015 which states that an accounting officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in the approved budgets.

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

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 27 October 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

5. Non – Compliance with Public Sector Accounting Standards Board

Review of the financial statements revealed that Annex 1 to the financial statements on analysis of pending accounts payables did not comparative outstanding balances (2021) and Annex 2 to the financial statements on summary of fixed assets register did not reflect the date the assets were purchased as required by the template issued by the Public Sector Accounting Standards Board.

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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

Basis of Conclusion

1. Failure to Maintain Proper Inventory Records

During the year under review, the School procured inventory including food and non-food items like stationery, maize, beans. However, no proper stores records were maintained as required by Section 162(1) of the Public Procurement and Asset Disposal Act, 2015. Further, no balances were disclosed in the financial statements under other disclosures.

In the circumstances, the inventory of the School was not properly managed.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.67,986,100 in respect of fixed assets which includes two parcels of land with estimated value of Kshs.4,660,000 and buildings and structures valued at Kshs.41,000,000. However, the land was supported by an allotment letter and no valuation documents were provided to support the balances.

In the circumstances, the ownership and safe custody of the fixed assets 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 so as to obtain assurance about whether effective processes and systems of internal controls, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 school financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 November, 2024

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
 Reports and Financial Statements for the year ended 30th June 2022

V. Statement of Receipts and Payments Period to 30th June 2022


Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	1,834,970.00	664,538.00
Capitation grants for operations	2	8,024,713.00	4,714,005.00
School fund income- parents' contributions	3	34,604,713.00	12,740,389.00
School fund income- other receipts	4	177,100.00	7,040,000.00
Proceeds from borrowings		0	0
Total Receipts		44,641,496.00	25,158,932.00
Payments			
Payments for tuition	5	1,827,475.00	732,276.00
Payments for operations	6	9,906,203.00	2,855,691.00
Boarding and school fund payments	7	35,385,012.00	18,877,823.00
Total Payments		47,118,690.00	22,465,790.00
Surplus/Deficit		(2,477,194.00)	2,693,142.00

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

SIGN 
 Name: DR. FREDRICK M. KASOMI

Chair BOM

Date: 24/07/2024

SIGN 
 Name: MR. GITONGA PAUL
 School Principal/ Secretary to BOM

Date: 24/07/2024

SIGN 
 Name: MARY MUANGE
 Bursar/ Finance Officer

Date: 24/07/2024

VI. Statement of Financial Assets and Financial Liabilities as At 30th June 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	599,678.00	3,132,422.00
Cash balances	9	65,120.00	9,570.00
Short term investment	10	0.00	0.00
Total cash and cash equivalent		664,798.00	3,141,992.00
Accounts receivables	11	12,950,282.00	14,263,843.00
Total financial assets		13,615,080.00	17,404,835.00
Financial liabilities			
Accounts payables	12	12,950,282.00	14,263,843.00
Net financial assets		664,798.00	3,141,992.00
Represented by			
Accumulated fund b/fwd	13	3,141,992.00	448,850.00
Surplus/deficit for the year		(2,477,194.00)	2,693,142.00
Net financial position		664,798.00	3,141,992.00

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

SIGN.....
 Name: DR. FREDRICK M. KASOMI

Chair BOM

Date: 24/07/2024

SIGN.....
 Name: MR. GITONGA PAUL

School Principal/ Secretary to BOM

Date: 24/07/2024

SIGN.....
 Name: MARY MUANGE

Bursar/ Finance Officer

Date: 24/07/2024

VII. Statement of Cash Flows for the Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,834,970.00	664,538.00
Capitation grants for operations	2	8,024,713.00	4,714,005.00
School fund income- parents contributions/ fees	3	34,604,713.00	12,740,389.00
School fund income- other receipts	4	177,100.00	7,040,000.00
Total receipts		44,641,496.00	25,158,932.00
Payments			
Payments for tuition	5	1,827,475.00	732,276.00
Payments for operations	6	9,906,203.00	2,855,691.00
Boarding and school fund payments	7	35,385,012.00	18,877,823.00
Total payments		47,118,690.00	22,465,790.00
Net cash flow from operating activities		(2,477,194.00)	2,693,142.00
Cash flow from investing activities			
Proceeds from sale of assets		0	0
Acquisition of assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash flows from investing activities		0	0
Cash flow from borrowing activities			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash flow from financing activities			
Net increase in cash and cash equivalents		(2,477,194.00)	2,693,142.00
Cash and cash equivalent at beginning of the year		3,141,992.00	448,850.00
Cash and cash equivalent at end of the year		664,798.00	3,141,992.00

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	D	e=c-d	f=d/c
	Kshs	Kshs			Kshs	Kshs
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials	2,566,000.00	-	2,566,000.00	1,834,970.43	711,029.57	71.5%
Chalks						
Exams And Assessment						
Teachers Guides						
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	3,400,000.00	-	3,400,000.00	3,198,603.00	201,397.00	94%
Repairs And Maintenance	2,450,500.00	-	2,450,500.00	2,248,750.00	201,750.00	92%
Local Transport / Travelling	980,900.00		980,900.00	929,607.00	51,293.00	95%
Medical and insurance						
Administration Costs	600,000.00		600,000.00	579,918.00	20,082.00	97%
Activity	112,000.00		112,000.00	108,530.00	3,470.00	97%
Gratuity						
Smasse						
<i>(3) Fees Charged on Parents</i>						
Personnel Emoluments	2,003,000.00		2,003,000.00	1,900,513.00	102,487.00	94%

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
 Reports and Financial Statements for the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization
	a	b	c=a+b	D	e=c-d	f=d/c
	Kshs	Kshs			Kshs	Kshs
Repairs And Maintenance	1,850,000.00	-	1,850,000.00	1,821,330.00	28,670.00	98%
Local transport / travelling	626,000.00	-	626,000.00	528,618.00	97,382.00	84%
Electricity And Water	1,800,000.00		1,800,000.00	1,669,843.00	130,157.00	93%
Medical and insurance						
Administration Costs	1,700,000.00		1,700,000.00	1,635,912.00	64,088.00	96%
Activity	175,000.00	-	175,000.00	121,386.00	53,614.00	69%
Smasse						
Fee On Boarding Equipment and Stores	28,295,250.00	-	28,295,250.00	26,927,111.00	1,368,139	95%
<i>Other Income</i>						
Uniform funds						
Income From Farming Activities						
Insurance Compensation						
Income From house						
Income From Bus Hire				177,100.00		
Fee For Hire of Ground And Equipment						
Interest Income						
Income From Any Other Investment						
Total Income	46,558,650.00		46,558,650.00	44,641,496.00	1,917,154.00	96%
<i>(I) Expenditure For Tuition</i>						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
 Reports and Financial Statements for the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	D	e=c-d	f=d/c
	Kshs	Kshs			Kshs	Kshs
Internal Exams						
Teaching / Learning Materials	1,834,970.40	-	1,834,970.40	1,827,475.00	7,495.00	99%
Chalks						
Exams And Assessment						
Teachers Guides						
Administration Costs						
Bank Charges						
<i>(2) Expenditure For Operations</i>						
Personnel Emoluments	3,198,603.00		3,198,603.00	3,001,500.00	196,103.00	93%
Repairs And Maintenance	2,248,750.00	-	2,248,750.00	3,392,097.00	(1,143,347.00)	173%
Local Transport / Travelling	929,607.00	-	929,607.00	878,900.00	50,707.00	95%
Medical and insurance						
Administration Costs	579,918.00		579,918.00	503,000.00	79,618.00	86%
Activity	108,530.00		108,530.00	101,930.00	6,550.00	93%
Gratuity						
Smasse						
<i>(3) Expenditure For School Fund</i>						
Personnel Emoluments	1,900,513.00		1,900,513.00	3,496,474.00	(1,595,961.00)	183%
Repairs And Maintenance	1,821,330.00		1,821,330.00	1,772,632.00	48,698.00	97%
Local transport / travelling	528,618.00		528,618.00	521,730.00	6,888.00	98%
Electricity And Water	1,669,843.00		1,669,843.00	1,208,091.00	461,752.00	72%
Medical and insurance						
Administration Costs	1,635,912.00		1,635,912.00	1,556,883.00	79,029.00	95%

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization
	a	b	c=a+b	D	e=b-d	f=d/c
	Kshs	Kshs			Kshs	Kshs
Activity	121,386.00		121,386.00	26,650.00	94,736.00	21%
Smasse						
Fee On Boarding Equipment and Stores	26,927,111.00		26,927,111.00	24,125,164.00	2,801,947.00	90%
Expenditure For Income Generating Activity						
Development fund						
Other Expenses On Investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment				2,677,288.00		
Acquisition Of Assets						
Totals	44,641,496.00		44,641,496.00	47,118,690		105'

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 30th June 2022.

X. Notes to the Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	1,834,970.0	664,538.00
Chalks		
Exams And Assessment		
Teachers Guides		
Total	1,834,970.00	664,538.00

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personal emoluments	3,198,603.00	1,584,594.00
Repairs And Maintenance	2,248,750.00	1,915,750.00
Local Transport / Travelling	929,607.00	459,651.00
Electricity and water	867,305.00	403,685.00
smasse	92,000.00	
Administration costs	579,913.00	279,825.00
Activity	108,530.00	70,500.00
Total	8,024,713.00	4,714,005.00

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,900,513.00	629,857.00
Repairs and maintenance & Improvements	1,821,330.00	704,876.00
Local transport / travelling	528,618.00	181,311.00
Electricity and water	1,669,843.00	744,273.00
Fee On Boarding Equipment and Stores	26,927,111.00	10,043,911.00
Administration cost	1,635,912.00	416,230.00
Activity	121,386.00	19,931.00
Total	34,604,713.00	12,740,389.00

Notes to the Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Rent income		
Income from farming activities		
Insurance Compensation		
Income from poshomill		
Income From Bus Hire	177,100.00	7,040,000.00
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest income		
Dividends Income		
Total	177,100.00	7,040,000.00

5 Payments for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	1,827,475.00	732,276.00
Chalks		
Exams And Assessment		
Teachers Guides		
Administration Costs		
Bank Charges		
Total	1,827,475.00	732,276.00

Notes to the Financial Statements (Continued)

6 Payments for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	3,002,500.00	1,431,934.00
Service gratuity	624,625.00	
Administration Cost	503,000.00	273,532.00
Repairs And Maintenance & Improvements	3,892,097.00	500,000.00
Local Transport / Travelling	878,900.00	347,065.00
Electricity And Water	811,101.00	247,060.00
Medical		
Activity Expenses	101,980.00	55,900.00
smasse	92,000.00	0
Insurance Cost		
Bank Charges		200.00
Acquisition Of Assets		
Total	9,906,203.00	1,355,991.00

Notes to the Financial Statements (Continued)

7 Boarding and School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	3,496,474.00	2,675,140.00
Service gratuity	0.00	-
Repairs And Maintenance & Improvements	1,772,632.00	7,324,870.00
Local Transport / Travelling	521,730.00	489,775.00
Electricity And Water	1,208,091.00	509,084.00
Medical expenses	0.00	-
Administration Costs	1,556,883.00	2,712,880.00
Activity expenses	26,650.00	-
Bank Charges		
Expenses On Income Generating Activities		
Fee On Boarding Equipment and Stores	24,125,164.00	5,166,074.00
Rent expenses		
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment	2,677,388.00	-
Loan Interest Repayment		
Acquisition Of Assets		
Total	35,385,012.00	18,877,823.00

Notes to the Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account		9,823.00	2,328.00
Operations Account		3,056.00	1,131,549.00
School Fund Account/Boarding		568,782.00	1,227,531
Savings Account			
Parent Association Development Account			
Income Generating Activities Account			
Infrastructural Account		18,017.00	771,014.00
Total		599,678.00	3,132,422.00

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation / infrastructure Account		
School Fund account	65,120.00	9,570.00
Total	65,120.00	9,570.00

10 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit		
Equity Stock		
Bus savings account	0.00	0.00
Total	0.00	0.00

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	12,950,282.00	14,263,843.00
Suspense funds		
Rent arrears		
Salary advance / loan (workers)		
Total	12,950,282.00	14,263,843.00

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	3,865,267.00	3,641,052.00
Fees Arrears For The Previous Year	-	
Fees Arrears For Prior Periods (Over Two Years)	9,085,015.00	10,622,791.00
Total	12,950,282.00	14,263,843.00

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix I)	12,950,282.00	14,263,843.00

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	10,342,114.00	14,263,643.00
Trade Creditors for The Previous Year	2,608,168.00	-
Trade Creditors for Prior Periods (Over Two Years)		-
Total	12,950,282.00	14,263,643.00

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	3,132,422.00	448,850.00
Cash Balances	9570.00	0.00
Short Term Investments	0.00	0.00
Receivables	14,263,643.00	0.00
Payables	(14,263,643.00)	0.00
Total	3,141,992.00	448,850.00

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Total		

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	1	70,000.00	70,000.00
Goats	-		
Trees	30,000	3,690,000.00	2,500,000.00
Coffee Or Tea Plantation	-		
Pigs	10	40,000.00	-
Poultry	50	45,000.00	
Total		3,845,000.00	2,570,000.00

16 Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year		

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	83,115.00	16,720.00
Stock/ inventory purchased during the year	18,200,615.00	5,548,640.00
Stock/ inventory issued during the year	18,015,179.00	5,482,245.00
Balance at end of the year	268,551.00	83,115.00

18 Progress On Follow Up Of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Variance in budget figures The statement of budgeted versus actual amounts on page 4 to 7 of the financial statements for the period ended 30 th June 2022 reflects a budget amount of Kshs. 46,558,650.00 while the availed approved budget for audit review indicated Kshs.17,400,000.00 resulting to unexplained variance of Kshs. 29,158,650.00	The management has made the necessary adjustments and balances reconciled to reflect the accurate amounts	Resolved	Done
2.	Unsupported receivables The statement of financial assets and liabilities reflects fee arrears of 9,085,015.00 as disclosed in note 11 to the financial statements. How no evidence to support the balance was provided for audit.	These are students who left form 4 with balances and we are still compiling the list	Not resolved	2 months
3	Accuracy in enrolment data Examination of documents related to the schools data in the national education management system (NEMIS) and school records relating to the enrolment at the time	The management has noted the irregularities and NEMIS records have been resolved.	resolved	Done

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	of disbursement of capitation by the Ministry of education circular MOE.HQs/3/10/18 (46) dated 16 th June 2021			
4	Failure to transfer funds from the operation account to infrastructure account The statement of receipts and payments reflects capitation grants for operations amount of Kshs 9906203 which includes kshs 200,250 that was not transferred to the infrastructure account as required by the Ministry of Education circular Ref. no MOE.HQS/3/23/3 added 16 June 2021	The management has noted the irregularity and moving forward all the required funds will be transferred in full and within the required time.	Not solved	
5	Irregular of transfer of funds to Kenya Secondary School Heads Association The statement of receipts and payments reflects payments for operations of 9,906,203.00 which include transfers of Kshs. 621,957 to Kenya secondary school heads association (KESSHA) Kilungu and Makueni branches. The transferred	All funds relating to activities (ball games, athletics and science fair) are paid to KESSHA to facilitate the activities from zonal level to county level. The issue of transfer has been raise to KESSHA and MOE and we are waiting for their response	Not resolved	Seven months

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>funds which were for activity and local transport expenses were part of government operation capitation grants received by the school during the year under review. KESSSHA is a welfare organization that is not recognized by the public finance management act, 2012 and draws its membership from schools principals only</p>			
6	<p>Gratuity underpayment to a retired laboratory assistant The receipts and payments reflects payments for operations amount of Kshs. 9,906,203.00 as disclosed in note 6 which includes gratuity payment of Kshs 624,625 to laboratory assistant who retired 30th may 2019 after over 39.3 years of service . However , the basic salary used to compute the gratuity paid was Kshs. 15,914.00 instead of 73,601.00 as per the confirmation letter dated 06th april 2017 leading to an underpayment of Kshs. 2,267,894.00</p>	<p>The appointment letter for laboratory assistant dated 6th April 2017 was not well explained. The stated salary of amount Kshs. 15,757.00 p.m was gross salary and not basic salary. The appointment letter was dated back to 10/2/1980 but salary indicated was not dated back (was as at April 2017) The basic salary which was used to calculate service gratuity at the time of retirement (May 2019) was 15,914.00.</p>	Resolved	Done

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7	<p>Lack of land ownership Documents Review of assets records of the school revealed that the school is built on land measuring 5.6hactares. however no ownership documents for the parcel of the land were provided for audit review</p>	<p>The school was issued with and allotment letter for the school land and the management is in the process of acquiring the title deed</p>	Not resolved	One year
8	<p>Failure to maintain proper inventory records During the year under review the school procured inventory including food and non- food items like stationery, maize beans. However no proper stores records were maintained as required by section 162(1) of the public procurement and asset disposal act 2015. Further no balances were disclosed in the financial statements under review</p>	<p>The stock/inventory records were not availed during audit but the management has availed the records</p>	Resolved	Done

Sign 
 PRINCIPAL: MR. GITONGA PAUL
 DATE: 24/07/2024

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Annex 1 - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
2. KIMILU WAMBUA	7,124,770.00	1/7/2021	2,280,000.00	4,844,770.00		
3. KATUA ITUMANGE	1,158,200.00	1/7/2021	916,800.00	241,400.00		
4. ONESMUS MASAI MAITHYA	375,000.00	1/7/2021	306,175.00	68,825.00		
5. PETER MULWA	343,700.00	1/7/2021	278,180.00	65,520.00		
6. EMMAU CEREALS AND FARM CARE	1,212,800.00	1/7/2021	928,000.00	284,800.00		
7. QUICK POSHOMILL	110,575.00	1/7/2021	76,150.00	34,425.00		
8. SURIYA GLOBAL SOLUTIONS	368,500.00	2019	200,000.00	168,500.00		
9. DAJOHN ENTERPRISES	355,880.00	2019	255,880.00	100,000.00		
10. KENAFRIC BAKERY LTD	1,353,428.00	1/7/2021	1,008,769.00	344,659.00		
11. ELIZABETH MUOKI	114,072.00	1/7/2021	89,897.00	24,175.00		
12. HOME OF THE DESIGN	97,800.00	1/7/2021	60,000.00	37,800.00		
13. EAST KENYA	2,802,800.00	1/7/2021	1,807,760.00	995,040.00		
14. TRIM TAP	165,000.00	2016	-	165,000.00		
15. KAHNA LAB SUPPLIES	352,668.00	2019	-	352,668.00		

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 20XX-1	Comments
16. COMNETIE AGENCIES	346,850.00	1/7/2021	133,150.00	213,700.00		
17. SMART SHALOM PRINTERS	953,980.00	1/7/2021	672,000.00	281,980.00		
18. ROMTEC SOLUTIONS	259,800.00	2020	200,000.00	59,800.00		
19. INNOVATION IT SOLUTION	392,500.00	31/1/2021	300,000.00	92,800.00		
20. BANK LOAN				4,574,420.00		
Sub-Total	17,850,823.00		9,512,761.00	12,950,282.00		
Supply Of Services						
21.						
Sub-Total						
Grand Total	17,888,323.00		9,512,761.00	12,950,282.00		

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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 /Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1	1963		3,610,000.00	550,000.00		4,160,000.00
Land 2	1963		450,000.00	50,000.00		500,000.00
Buildings and structures			28,000,000.00	17,000,000.00	4,000,000.00	41,000,000.00
Motor vehicles	2003/20 14		3,650,000.00		200,000.00	3,450,000.00
Office equipment, furniture and fittings			7,997,200.00	222,000.00		8,219,200.00
ICT Equipment, and Other ICT Assets			1,350,500.00	110,500.00		1,518,000.00
Tools and apparatus			11,500.00			11,500.00
Textbooks			7,506,800.00	264,600.00		7,771,400.00
Other Machinery and Equipment-			856,000.00	397,000.00		1,253,000.00
Heritage and cultural assets						
Intangible assets- soft ware	2021		103,000.00	-	-	103,000.00
Total			53,535,000.00			67,986,100.00

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