

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

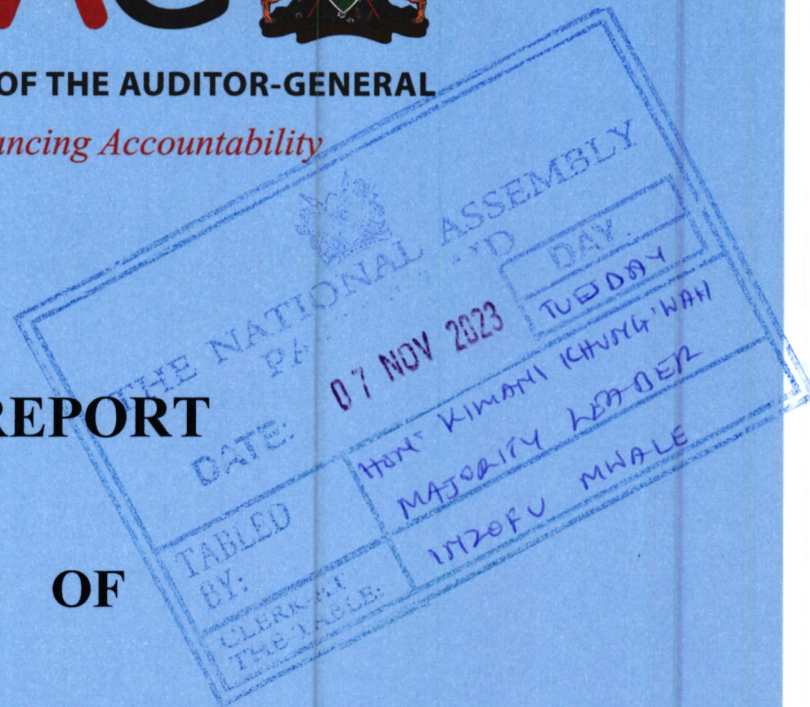
THE AUDITOR-GENERAL

ON

BUTULA BOYS HIGH SCHOOL

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

BUSIA COUNTY





BUTULA BOYS HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR SIX MONTHS PERIOD ENDED
30TH JUNE 2021**

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

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

(Leave this it Blank)

Table of Contents	Page
I. Key School Information And Management.....	iv
II. Summary Report Of Performance Of The School	viii
III. Statement Of School Management Responsibility	xv
IV. Report Of The Independent Auditors (<i>To be attached</i>)	xvi
V. Statement Of Receipts And Payments Period To 30 th June 2021.....	1
VI. Statement Of Financial Assets And Financial Liabilities As At 30 th June 2021	2
VII. Statement of Cash Flows for The Period Ended 30 th June 2021	3
VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2021	4
IX. Significant Accounting Policies.....	9
X. Notes To The Financial Statements.....	11

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

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 BUSIA County, BUTULA Sub-County

The school was registered in 2017 under registration number 40500000116 and is currently categorized as a *national* public school established, owned or operated by the Government.

The school is a boarding school and had 1723 numbers of students as at 30th June 2021. It has 03 stream and 68 teachers of which 18 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	PROF.PIUS ODUNGA	Chairman	MAY 2019
2	MR.OUMA DANIEL	Secretary – Principal	MAY 2019
3	DR.REGINA BWIRE	Member	MAY 2019
4	MR.ALEX WANJALA	Member	MAY 2019
5	MR.EPHRAIM WANALWENGE	Member	MAY 2019
6	MR.MICHAEL OCHIENG	Member	MAY 2019
7	DR.MARTIN MBITHI	Member	MAY 2019
8	MS ELECTINE ATEBA	Member – Rep CEB	MAY 2019
9	REV.FR.FR OUNDO	Member Rep Teachers	MAY 2019
10	MR.CHARLES OMBOTSO	Members – Sponsor	MAY 2019
11	FR ANDREW OUNDO	Members – Sponsor	MAY 2019
12	MR. MICHAEL OCHIENG	Members – Sponsor	MAY 2019
13	MS SUSAN DRYA	Member – Community	MAY 2019
14	PRO.VIOLET OPATA	Member Special Needs	MAY 2019
15	ISAAC K'OWINO	Rep Students	MAY 2019
16	MR. DINAH WERE	Member	MAY 2019
17	MR. ISAAC OKUMU	Member	MAY 2019

Key School Information and Management (Continued)

The function of the School Board of Management includes:

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

(c) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof.Pius O.Odunga Fr.Andrew Oundo Mr.Michael Ochieng Mr.Daniel O.Ouma	BOM Chairman Sponsor P.A Chairman Principal	2
2	Audit Committee	Mr.Ephraim Wanalwenge DR.Regina Bwire Mr.Alex Wanjala		1
3	Finance,procurement and general purposes Committee	Dr.Isaac K'Owino Fr.Oundo Mr.Michael Ochieng Dr. Martin Mbithi		4
4	Academic Committee	Prof.Violet Oyata Ms.Electine Ateba Mr.Charles Ombotso Mr.Martin Onyango		3
5	Development Committee	S.C.D.E Mr.Ouma Daniel Prof.Pius Odunga Mr.Mukabi George		6

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

6	Discipline and welfare Committee	Mr. Joseph Opondo Dr. George Odhiambo Ms. Melvin Ouma Mr. Ephraim Konzolo S.C.D.E		3
7	Adhoc Committee (if any during the year)	N/A		

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	DANIEL OUMA ONYANGO	349264
2	Deputy Principal	GEORGE MUKABI	304661
3	School Bursar	GEOFFREY ETILA	29508515

(e) Schools contacts

Post Office Box: PRIVATE BAG-50405 BUTULA
Telephone: 0115999583
E-mail: butulahigh@gmail.com
Website: www.butulahigh.co.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 05 numbers of bank accounts in the following banks:

1. Name of Bank: National Bank of Kenya
Branch: BUSIA
Account Number: 01021054617801
2. Name of Bank: National Bank of Kenya
Branch: BUSIA
Account Number: 01242054617801
3. Name of Bank: National Bank of Kenya
Branch: BUSIA
Account Number: 01025054617800
4. Name of Bank: Kenya Commercial Bank
Branch: BUSIA

Account Number: 1265473099

5. MPESA Pay Bill No. 522123, attached to KCB Bank Account

6. MPESA Pay Bill No. 502688, attached to NBK Bank Account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) Independent Auditors

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

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

II. Summary Report of Performance of the School

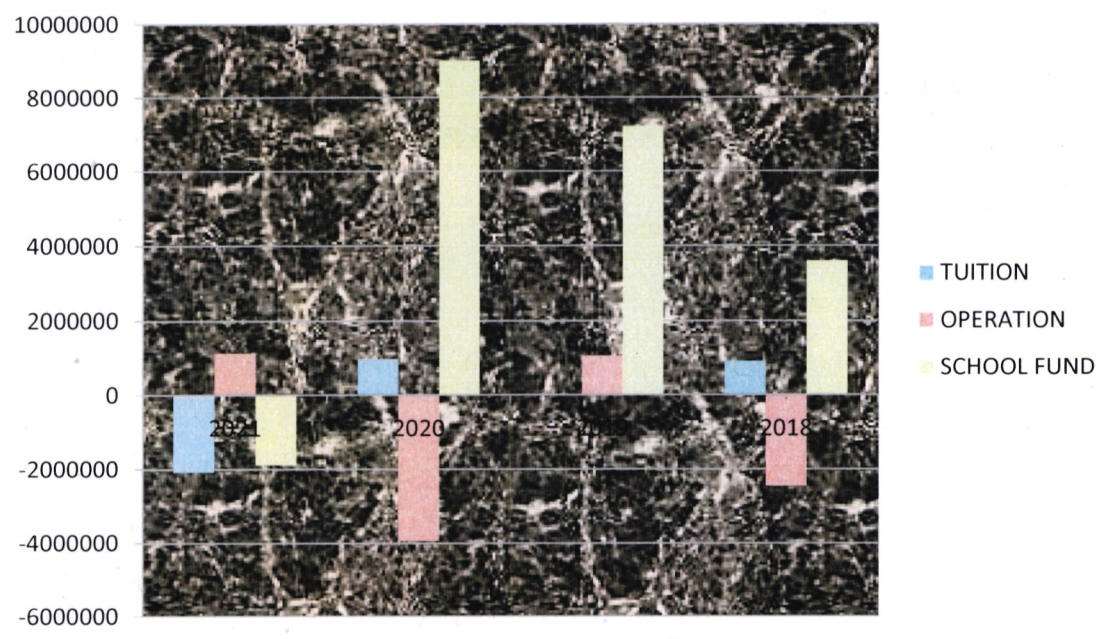
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

(Under this section, the following information should be given:

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

YEAR	2021	2020	2019	2018
<i>TUITION</i>	(2082098)	969109.70	(8699.15)	909653.00
<i>OPERATION</i>	1123900	(3941655.13)	1061072.11	(2460488.00)
<i>SCHOOL FUND</i>	(1892203)	9009059.77	7219096.55	3592870.00

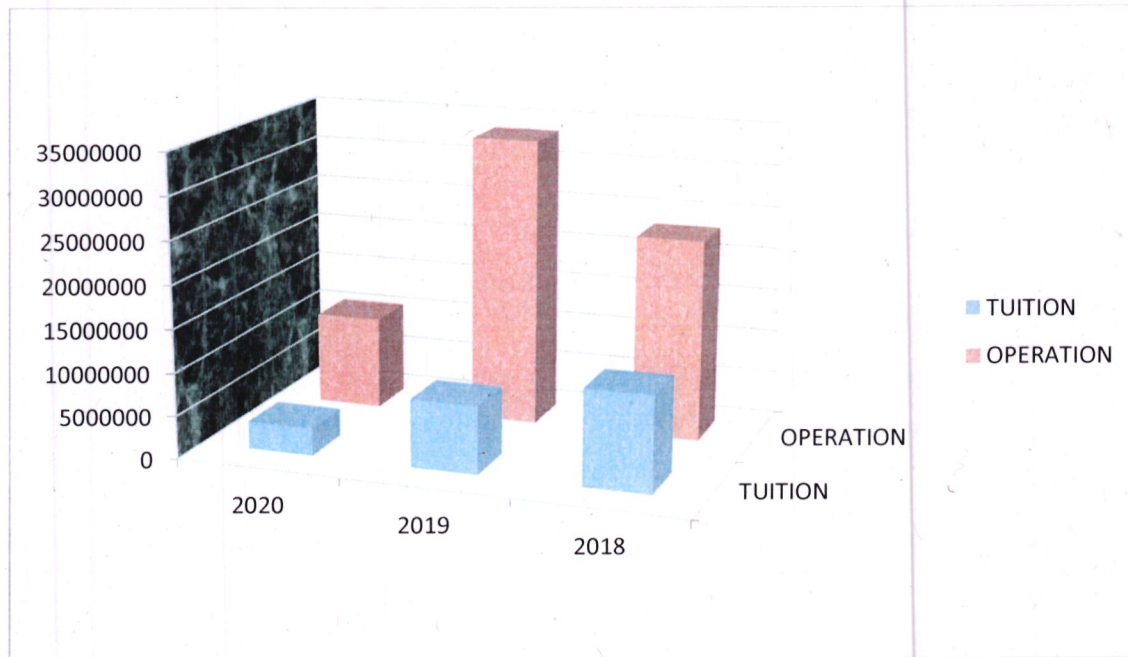


- *Capitation grants from the Ministry of Education for the last three years*

YEAR	2020	2019	2018
<i>TUITION</i>	3233883.70	7925089.10	11179942.00
<i>OPERATION</i>	10823618.50	33682410.21	23388579.00
<i>TOTAL</i>	14057502.20	41607499.31	34568521.00

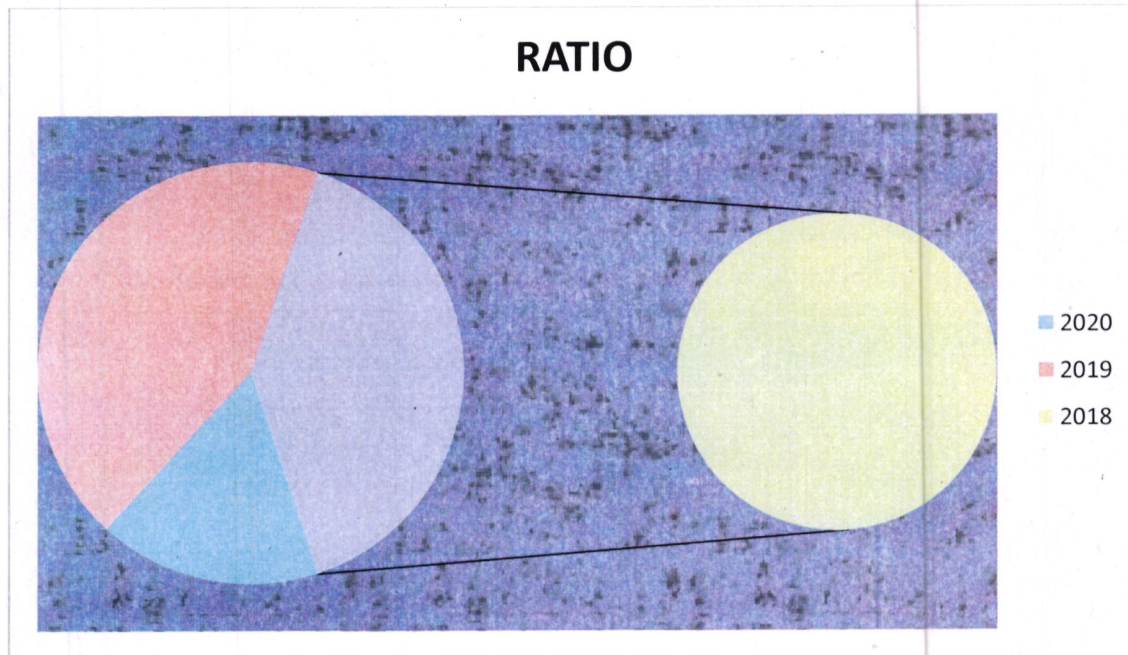
BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021



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

YEAR	2020	2019	2018
RATIO	8158.74	20803.74	19204.73

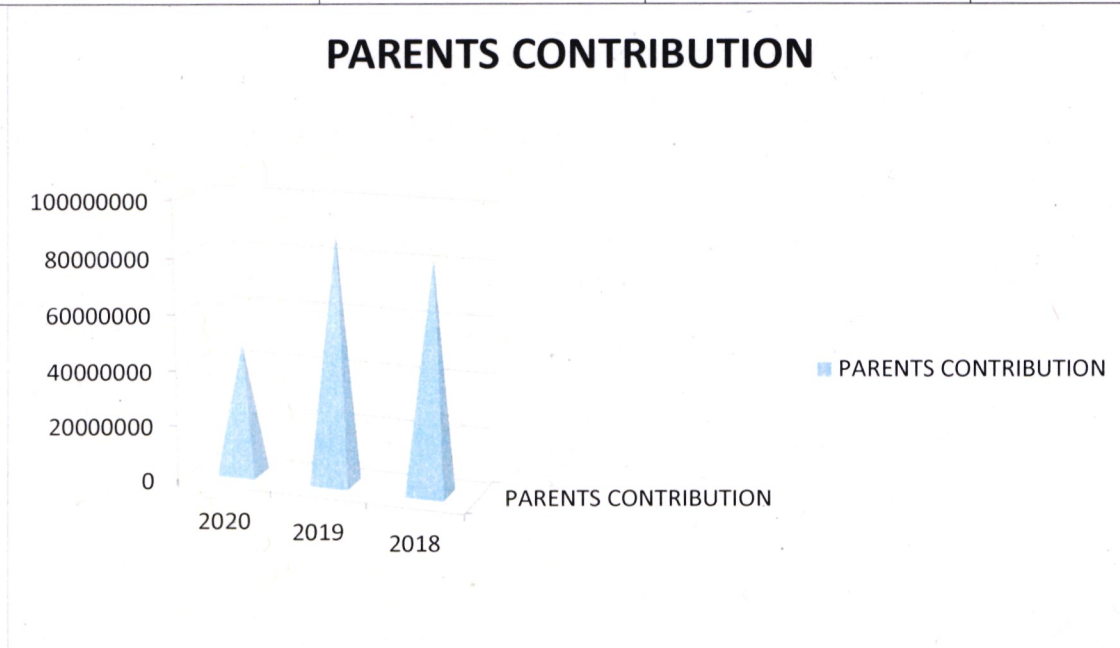


BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

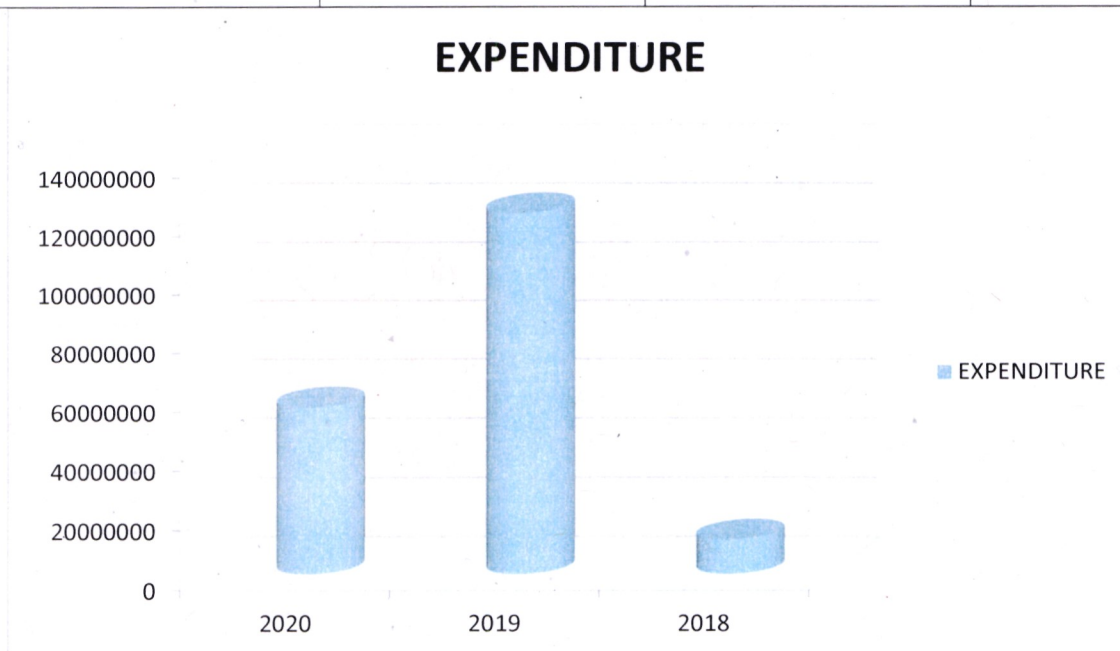
- A three-year overview of growth of other income(s) earned by the school.

YEAR	2020	2019	2018
PARENTS CONTRIBUTION	48233376.80	89102166.95	83506036.00



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

YEAR	2020	2019	2018
EXPENDITURE	56254364.66	122438196.75	116032521.00

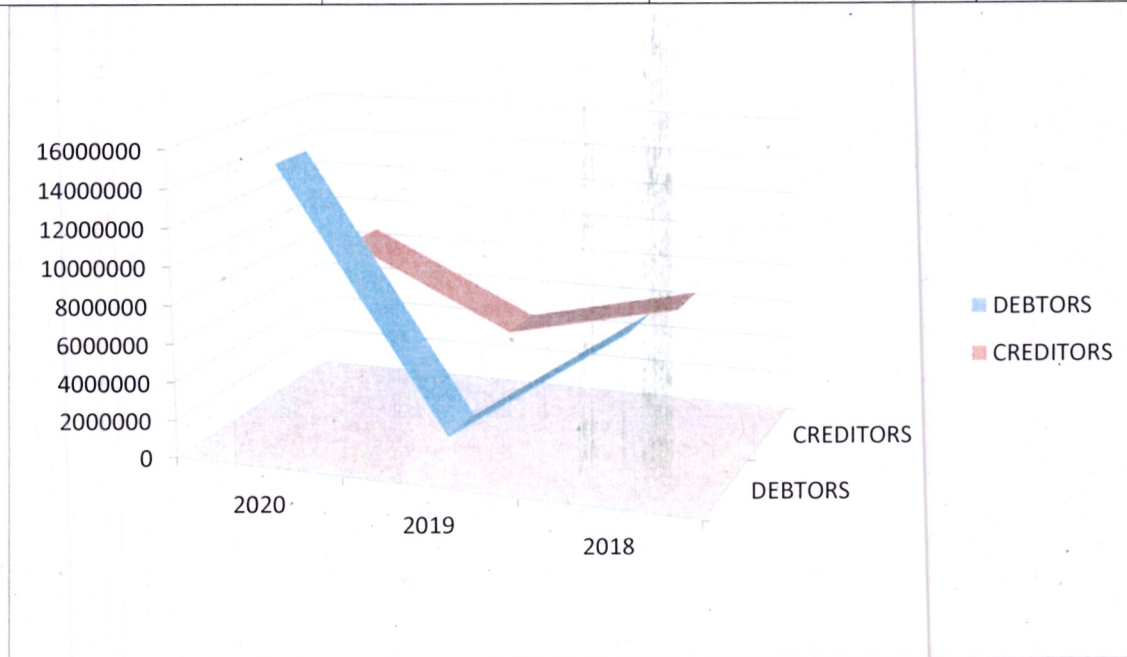


BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

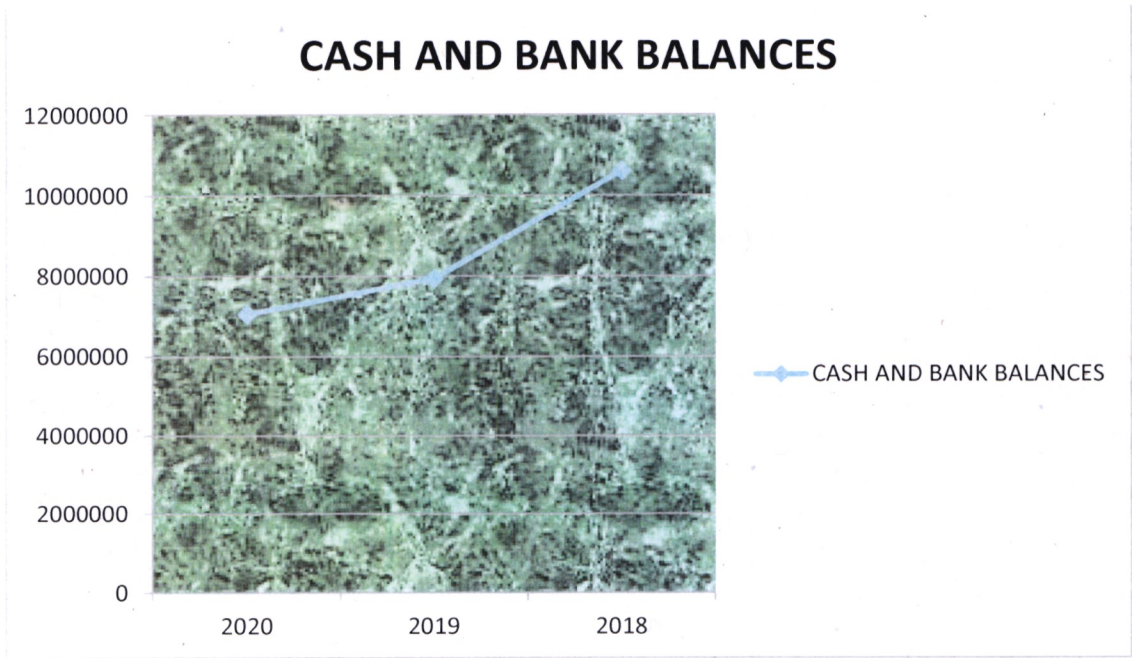
- *Movement of debtors and creditors of the school over the last three years*

YEAR	2020	2019	2018
<i>DEBTORS</i>	15050667.10	17502448.35	7937187.00
<i>CREDITORS</i>	8935368.50	4735044.20	6797696.00



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

YEAR	2020	2019	2018
<i>CASH AND BANK BALANCES</i>	7045628.16	7938437.18	10610858.81



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).

b) Teacher Student ratio:

(Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources).

Teachers employed by TSC	50
Teachers employed by BOM	18
Teachers retired	00
Teachers posted	00
Teachers Transferred	00
Teachers to student ratio	25: 1 teacher

c) **Mean score in the 2021 KCSE:**

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

YEAR	ENTRY	MEAN SCORE	MEAN GRADE
2020	297	8.15	B-
2021	318	7.63	B-
2022	306	9.27	B

d) **Number of Candidates in the 2021 KCSE:**

(Tabulate the number of candidates sitting for KCSE over the last three years).

YEAR	CANDIDATES
2020	297
2021	318
2022	306

e) **Capacity of the school:**

(Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

DINNING HALL	01
LAB	07
CLASSROOM	30
DORM	19
TOILETS	57 DOORS
KITCHEN	02
LIBRARY	01
STAFFROOM	01

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

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

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

YEAR	SOURCE	AMOUNT SPENT	STATUS	PROJECT
2021	MI	6,033,373	ON-GOING	CONSTRUCTION OF ULTRA MODERN LABORATORY

.....
School Principal




III. Statement of School Management Responsibility

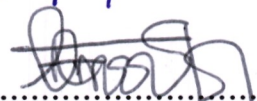
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

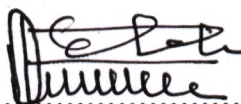
The Board of Management of *BUTULA BOYS HIGH SCHOOL* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.


.....
Name: Prof Pius ODUNGA
Designation: Chairman, School Board of Management
Date: 30/6/2021


.....
Name: Daniel Ouma
Designation: School Principal & Secretary to Board of Management
Date: 30/6/2021

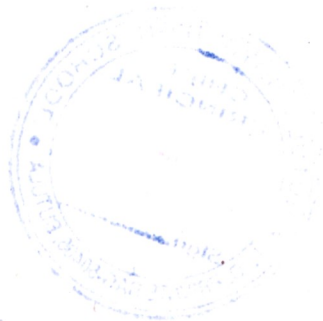



.....
Name: GEOFFREY ETIKA
Designation: Bursar/ Finance Officer
Date: 30/6/2021

BUTULA BOYS HIGH SCHOOL

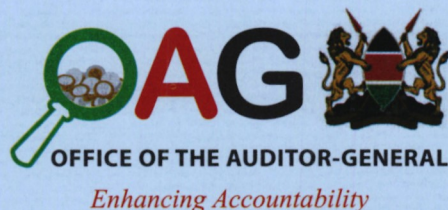
Reports and Financial Statements for Six months' period ended 30th June 2021

IV. Report of The Independent Auditors (To be attached)



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BUTULA BOYS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – BUSIA 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 that the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall 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

Adverse Opinion

I have audited the accompanying financial statements of Butula Boys High School – Busia County set out on pages 1 to 12, which comprise the statement of financial assets and

liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the six months' period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Butula Boys High School - Busia County as at 30 June, 2021 and of its financial performance and its cash flows for the six months' period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Understatement of Capitation Grants Receipts

The statement of receipts and payments reflects capitation grants for tuition of Kshs.2,194,267 and capitation grants for operations of Kshs.11,146,902 as disclosed in Notes 1 and 2 of the financial statements respectively, all totalling to Kshs.13,341,169.

Review of the National Education Management Information System (NEMIS) report and the School's manual enrolment register for the period under review revealed inconsistencies in respect of the number of students captured in the two registers with the number of students captured in NEMIS being lower than the number in the School's manual register. Further, the variances resulted in under-funding by Kshs.5,229,959 as detailed in the table below:

Month	Total Capitation (Kshs.)	Capitation on per Student (Kshs.)	Number of Students as per NEMIS	Number of Students per School's Manual Register	Expected Capitation (Kshs.)	Variance-Students	Under/(Over) Funding (Kshs.)
April, 2021-Operations	3,836,112	2,796	1,372	1723	4,817,508	351	981,396
February, 2021-Operations	4,627,010	3,370	1,373	1723	5,806,510	350	1,179,500
December, 2020-Operations	4,664,836	3,397	1,373	1723	5,853,031	350	1,188,950
August, 2020-Operation	5,118,150	3,725	1,374	1723	6,418,175	349	(1,300,025)
April, 2021-Tuition	976,178	711.5	1,372	1723	1,225,915	351	249,736
February, 2021-Tuition	825,516	601	1,373	1723	1,035,523	350	210,350

Month	Total Capitation (Kshs.)	Capitation per Student (Kshs.)	Number of Students as per NEMIS	Number of Students per School's Manual Register	Expected Capitation (Kshs.)	Variance-Students	Under/(Over) Funding (Kshs.)
December, 2020-tuition	473,685	345	1,373	1723	594,435	350	120,750
August-2020-Tuition	1,374	1	1,374	1723	1,723	349	349
Total	20,522,861				25,752,820		5,229,959

However, the underfunding of Kshs.5,229,959 was not included in the accounts receivable balance of Kshs.90,143,013 reflected in the statement of financial assets and liabilities.

In the circumstances, the accuracy and completeness of the capitation grants of Kshs.13,341,169 and the accounts receivable balance of Kshs.90,143,013 could not be confirmed.

2. Accuracy of Capitation Grants for Tuition

As disclosed in Note 1 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.2,194,267 in respect of capitation grants for tuition. However, review of the supporting schedule and NEMIS capitation disbursement extract revealed an amount of Kshs.1,801,694, thereby resulting in an unexplained and unreconciled variance of Kshs.392,573.

In the circumstances, the accuracy and completeness of the amount of Kshs.2,194,267 in respect of capitation grants for tuition could not be confirmed.

3. Accuracy of Capitation Grants for Operations

As disclosed in Note 2 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.11,146,902 in respect of capitation grants for operations. However, review of the supporting schedule and NEMIS capitation disbursement extract revealed an amount of Kshs.8,463,122 thereby resulting in an unexplained and unreconciled variance of Kshs.2,683,780.

In the circumstances, the accuracy and completeness of an amount of Kshs.11,146,902 in respect of capitation grants for operations could not be confirmed.

4. Unsupported Maintenance and Improvement Expenditure

As disclosed in Note 6 the financial statements, the statement of receipts and payments reflects payments for operations amount of Kshs. 11,710,375 which includes maintenance and improvement expenditure of Kshs.6,033,373 in respect of the construction of an ultra-modern science laboratory. Review of the statement for payment on accounts in respect to the completion certificate revealed that the proposed construction of the two (2) storey

science laboratory, classroom and library was contracted at an amount of Kshs.15,713,075.

Further, payments of Kshs.5,231,235 and Kshs.4,322,565, all totalling to Kshs.9,553,800 were made on 12 August, 2020 and 24 September, 2020 respectively and an additional payment of Kshs.950,000 made during the period under review, all totalling to Kshs.10,503,800. However, the total payments were at variance with the reported amount of Kshs.6,033,373, resulting in unexplained and unreconciled variance of Kshs.4,470,427.

In addition, review of the statement for payment on account revealed that amounts of Kshs.652,449 and Kshs.326,225 in respect of 6% withholding VAT and 3% withholding tax were not included and supported with payment vouchers and acknowledgment notification from Kenya Revenue Authority.

Review of other supporting documents including Ministry of Education approvals and bills of quantities, revealed that the project was complete. However, the contract agreements for the project were not provided for audit.

In the circumstances, the accuracy, validity and completeness of the payments for operations of Kshs.11,710,375 could not be confirmed.

5. Unsupported Parents Contributions or Fees - School Fund Income

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.31,267,151 in respect of parents' contributions or fees - school fund income. However, supporting documents including bank statements, student fees collection summary and schedules were not provided for audit.

In the circumstances, the validity, accuracy and completeness of an amount of Kshs.31,267,151 in respect of parents' contributions or fees - school fund income could not be confirmed.

6. Unsupported Payments for Tuition

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.4,276,365 in respect payments for tuition. However, supporting documents including, supporting schedules, invoices, delivery notes and receipt and issue vouchers were not provided for audit.

In the circumstances, the validity, accuracy and completeness of the payments for tuition of Kshs.4,276,365 could not be confirmed.

7. Unsupported Boarding and School Fund Payments

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.23,817,529 in respect of boarding and school fund payments. However, supporting documents including ledger schedules, inspection and acceptance reports, invoices, delivery notes, issue and receipt vouchers were not provided for audit.

In the circumstances, the validity, accuracy and completeness of the boarding and school payments amounting to Kshs.23,817,529 could not be confirmed.

8. Unsupported Personnel Emoluments

As disclosed in Notes 6 and 7 to the financial statements, the statement of receipts and payments reflects payments for operations and boarding and school fund payments of Kshs.11,710,375 and Kshs.23,817,529 respectively. The expenditure includes a total amount of Kshs.6,146,789 in respect of personnel emoluments. However, review of the payroll for the months of May and June, 2021 revealed gross salaries of Kshs.425,303, Kshs.285,194 and Kshs.75,000 in respect of salaries to non-teaching, support staff and Board of Management teachers respectively, all totalling to Kshs.785,497 per month translating to a total of Kshs.4,712,982 for the six (6) months' period ended 30 June, 2021. However, the re-casted personnel emoluments of Kshs.4,712,982 was at variance with total personnel emoluments of Kshs.6,146,789, thereby resulting in an unexplained over-expenditure on personnel emoluments of Kshs.1,433,807.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.6,146,789 in respect of personnel emoluments could not be confirmed.

9. Unsupported Cash and Cash Equivalents Balance

As disclosed in Notes 8 and 9 to the financial statements, the statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.16,342,254 which includes Kshs.16,280,906 and Kshs.61,348 in respect of bank and cash-in-hand balances respectively.

The bank balance of Kshs.16,280,906 includes cash book bank balances of four (4) bank accounts. However, the certificates of bank balances did not tally with the balances reflected in the bank reconciliations statements for two (2) bank accounts as detailed in the table below:

Name of Bank Account	Bank Balance as Per Bank Reconciliation Statement (Kshs.)	Balance as per Bank Certificate (Kshs.)	Variance (Kshs.)
Tuition A/C	448,227	42,099	406,128
Operations A/C	1,236,689	2,951,917	1,715,228

Further, the certificate of bank balance for school fund/boarding account with a balance of Kshs.13,350,613 was not provided for audit.

In addition, review of the Board of Survey report revealed cash-in-hand balances of Kshs.13,968 and Kshs.61,348 in respect of boarding and operations accounts respectively, all totalling to Kshs.75,316. However, this amount differed with the reported balance of Kshs.61,348, resulting in unexplained and unreconciled variance of Kshs.13,968.

In the circumstances, the regularity, accuracy and completeness of the balance of Kshs.16,342,254 in respect of cash and cash equivalents could not be confirmed.

10. Unsupported Accounts Receivables Balance

As disclosed in Note 11 to the financial statements, the statement of financial assets and liabilities reflects accounts receivable balance of Kshs.90,143,013 in respect of fees arrears. However, supporting documents including ledger schedules and students fee statements with ageing analysis showing dates of the fees arrears and School finance committee minutes deliberations on accounts receivables were not provided for audit. Further, details in Note 11 to the financial statements indicate accounts receivables of Kshs.68,896,066 incurred two years ago. Evidence of mechanisms in place to recover the long overdue debts was not provided for audit

In the circumstances, the accuracy and completeness of accounts receivable balance of Kshs.90,143,013 and recoverability of the long overdue debts not be confirmed.

11. Unsupported Accounts Payables Balance

As disclosed in Note 12 to the financial statements, the statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.11,843,385 in respect of trade creditors. However, the trade creditors balance of Kshs.11,843,385 was not supported with documents including ledger schedules and invoices, delivery notes, issues and receipts voucher and finance sub-committee minutes on accounts payable.

In the circumstances, the accuracy, completeness and fair statement of accounts payable balance of Kshs.11,843,385 could not be confirmed.

12. Non-disclosure of Retention Monies

As disclosed in Note 12 to the financial statements, the statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.11,843,385 which related to a construction contract whose contract sum was Kshs.15,713,075. However, the completion certificate reflects gross value of works payable of Kshs.12,614,020 which includes retention money of Kshs.1,261,402 which was not disclosed as accounts payable in the financial statements. This resulted in understatement of the balance of Kshs.11,843,385 by an amount of Kshs.1,261,402 for which no explanation or reconciliation was provided for audit.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.11,843,385 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final total income budget and actual on comparable basis of Kshs.59,054,166 and Kshs.44,694,907 respectively, resulting in an under-funding of Kshs.14,359,259 or 24% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.58,454,166 and Kshs.39,804,269, resulting in under-absorption of Kshs.18,649,896 or 32% of the budget.

Further, the budget amounts presented were not supported by an approved budget, contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations.

The under-funding affected the planned activities of the School and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unapproved Additional Fees Charged

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.31,267,151 in respect of parents contribution or fees-school fund account. Further, review of the school fee structure revealed an amount of Kshs.58,554 charged against the Ministry approved fees of Kshs.45,000, resulting in an extra fee charged of Kshs.13,554. In addition, review of preamble information to the financial statements page iv, revealed that the School had students' enrolment of 1,723, resulting in total unapproved fees charged of Kshs.23,353,542. This is contrary to Ministry of Education Circular Number MOE.HQS/3/6/112(1) dated 9 August, 2022 which directed any School that desires to charge amounts above the stipulated fees to make a formal request to the Cabinet Secretary.

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

2. Unbalanced Budget

The statement of budgeted versus actual amounts reflects a final income budget of Kshs.59,054,166 and final expenditure budget of Kshs.58,454,166, resulting in a variance of Kshs.600,000. The budget imbalance is contrary to the provisions of Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Review of the documents and records provided for audit revealed that School Management had not established Risk Management Policy. This was contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations'.

In the circumstances, the effectiveness of the School's risk management could not be confirmed.

2. Lack of Approved Information Technology Security Policy

Review of the School's Information Technology Systems revealed that the School did not have an approved IT Policy for governance and management of its ICT resources. Further, there

was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the School to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School may be exposed to financial losses or falsification of records in the absence of information and communication Technology policy.

3. Lack of Insurance Cover for Property and Other Assets

Review of the financial statements and assets records revealed that the School did not have insurance cover for property and other assets.

In the circumstances, the School's assets may be exposed to losses without compensation in case of fire, theft or any other unforeseen calamities.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

V. Statement of Receipts and Payments Period to 30th June 2021

Description Of Vote Head	Note	2020-2021
		Kshs
Receipts		
Capitation grants for tuition	1	2,194,267
Capitation grants for operations	2	11,146,902
School fund income- parents' contributions	3	31,267,151
School fund income- other receipts	4	86,587
Proceeds from borrowings		
Total Receipts		44,694,907
Payments		
Payments for tuition	5	4,276,365
Payments for operations	6	11,710,375
Boarding and school fund payments	7	23,817,529
Total Payments		39,804,269
Surplus/Deficit		4,890,638

The school financial statements were approved on 30TH September 2021 and signed by:

.....
 Name: **Prof Pius ODUNGA**
 Chair BOM
 Date: **30/9/2021**

.....
 Name: **Daniel L Omer**
 School Principal/ Secretary to
 BOM
 Date: **30/9/2021**



.....
 Name: **LEOPOLD ETIHA**
 Bursar/ Finance Officer
 Date: **30/9/2021**

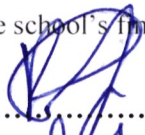
BUTULA BOYS HIGH SCHOOL

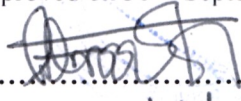
Reports and Financial Statements for Six months' period ended 30th June 2021

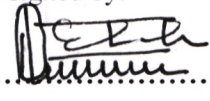
VI. Statement of Financial Assets and Financial Liabilities as At 30th June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	16,280,906	11,256,445
Cash balances	9	61,348	195,171
Short term investment	10	-	-
Total cash and cash equivalent		16,342,254	11,451,616
Account's receivables	11	90,143,013	83,946,733
Total financial assets		106,485,267	95,398,349
Financial liabilities			
Accounts payables	12	11,843,385	5,647,105
Net financial assets		94,641,882	89,751,244
Represented by			
Accumulated fund b/fwd	13	89,751,244	89,751,244
Surplus/deficit for the year		4,890,638	-
Net financial position		94,641,882	89,751,244

The school's financial statements were approved on 30TH September 2021 and signed by:


 Name: **Prof. Pius ODUNGA**
 Chair BOM


 Name: **Daniel Ouma**
 School Principal/ Secretary to BOM


 Name: **GEORGET ETIKA**
 Bursar/ Finance Officer

Date:

Date:

Date: **30/9/2021**



VII. Statements of Cash Flows for the Period Ended 30th June 2021

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	2,194,267	-
Capitation grants for operations	2	11,146,902	-
School fund income- parents contributions/ fees	3	31,267,151	-
School fund income- other receipts	4	86,587	-
Total receipts		44,694,907	-
Payments			
Payments for tuition	5	4,276,365	-
Payments for operations	6	11,710,375	-
Boarding and school fund payments	7	23,817,529	-
Total payments		39,804,269	-
Net cash flow from operating activities		4,890,638	-
Cash flow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities			
Cash flow from borrowing activities		4,890,638	-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities			
Net increase in cash and cash equivalents		4,890,638	
Cash and cash equivalent at beginning of the year		11,451,616	11,451,616
Cash and cash equivalent at end of the year		16,342,254	11,451,616

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cash flow as recommended by PSASB).

VIII. Statement Of Budgeted Versus Actual Amounts for the Year Ended 30th June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials	3,190,428	-	3,190,428	2,194,267	996,161	69%
Chalk						
Bank charges						
Sub total	3,190,428	-	3,190,428	2,194,267	996,161	69%
(2) Capitation Grant on Operations						
Personnel emoluments	1,628,190	-	1,628,190	3,888,451	(2,260,261)	239%
Repairs and maintenance	4,122,000	-	4,122,000	3,370,001	751,999	82%
Local transport / travelling	922,641	-	922,641	1,166,535	(243,894)	126%
Electricity and water	1,248,276	-	1,248,276	1,555,380	(307,104)	125%
Medical						
Administration costs	1,628,193	-	1,628,193	1,166,535	461,658	72%
Activity	1,030,500	-	1,030,500	-		

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Gratuity						
Sub total	10,579,800	-	10,579,800	11,146,902	(567,102)	105%
<i>(3) Fees Charged on Parents</i>						
Personnel emoluments	6,836,073	-	6,836,073	5,026,878	1,809,195	74%
Repairs and maintenance	1,521,000	-	1,521,000	2,746,000	(1,225,000)	
Local transport / travelling	3,233,822	-	3,233,822	2,909,928	323,894	90%
Electricity and water	3,098,429	-	3,098,429	4,194,355	(1,095,926)	135%
Uniform				55,201		
Uniform & other items				230,250		
PTA/Development				5,000	(5,000)	
Administration costs	2,323,822		2,323,822	1,024,770	1,299,052	44%
Activity				-		
Academic programme	4,563,000		4,563,000	3,206,818	1,356,182	70%
Fee on Boarding Equipment and Stores	23,107,793		23,107,793	11,867,952	11,239,841	51%
Sub total	44,683,937.75		44,683,938	31,267,151	13,416,786.50	70%
Other Income						
Rent income						
Income from farming activities	200,000		200,000	3,100	196,900	2%
Insurance compensation				2,487		
Income from Posho mill						

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Income from Bus Hire						
Fee for hire of ground and equipment	400,000	-	400,000	81,000	319,000	20%
Interest income		-				
Income from any other investment		-				
Sub total	600,000		600,000	86,587	513,413	14%
Grand total income	59,054,166		59,054,166	44,694,907	14,359,259	76%
(1) Expenditure For Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment				2,695,685		
Internal Exams						
Teaching / Learning Materials	3,190,428	-	3,190,428	1,454,580	1,735,848	46%
Payables				126,100		
Bank charges						
Sub total	3,190,428		3,190,428	4,276,365	(1,085,937)	134%
(2) Expenditure For Operations						
Personnel emoluments	1,628,190	-	1,628,190	2,823,202	(1,195,012)	173%
Repairs and maintenance	4,122,000	-	4,122,000	6,033,373	(1,911,373)	146%

BUTULA BOYS HIGH SCHOOL
Reports and Financial Statements for Six months' period ended 30th June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Local transport / travelling	922,641	-	922,641	632,450	290,191	69%
Electricity and water	1,248,276	-	1,248,276	1,272,020	(23,744)	102%
Bom Teachers		-		425,930		
Administration costs	1,628,193		1,628,193	523,400	1,104,793	32%
Activity	1,030,500		1,030,500			
Gratuity		-				
Sub total	10,579,800		10,579,800	11,710,375	(1,130,575)	111%
(3) Expenditure For School Fund						
Personnel emoluments	6,836,073	-	6,836,073	3,323,587	3,512,486	49%
Repairs and maintenance	1,521,000	-	1,521,000	-	1,521,000	
Local transport / travelling	3,233,822	-	3,233,822	1,346,836	1,886,986	42%
Electricity and water	3,098,429	-	3,098,429	2,414,835	683,594	78%
Uniform		-		20,000	(20,000)	
Uniform & other items				30,000	(30,000)	
PTA/Development				3,442,840	(3,442,840)	
Administration costs	2,323,822		2,323,822	999,076	1,324,746	43%
KESSHA				32,500	(32,500)	
Medical Expenses- BUNOTESWA				295,856	(295,856)	
Activity				26,269	(26,269)	
Bus insurance				240,116	(240,116)	
BOM teacher				174,720	(174,720)	

BUTULA BO HIGH SCHOOL
Reports and Financial Statements for Six months' period ended 30th June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments B Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Academic programme	4,563,000	-	4,563,000	1,137,400	3,425,600	25%
Fee on Boarding Equipment and Stores	23,107,793		23,107,793	10,333,495	12,774,297.44	45%
Sub total	44,683,938	-	44,683,938	23,817,529	20,866,408.84	53%
Grand total expenditure	58,454,166	-	58,454,166	39,804,269	18,649,896	68%

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

- i. Under income and expenditure there was underutilization since it was below 90% apart from some vote heads.
- ii. The overutilization in some of the vote heads was as a result of change of financial year since budget had already been approved from January to December.

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 2021.

X. Notes to the Financial Statements

1 Capitation Grant for Tuition

Description	2020-2021
	Kshs
Textbooks And Reference Materials	-
Exercise Books	-
Laboratory Equipment	-
Internal Exams	
Teaching / Learning Materials	2,194,267
Chalks	-
Exams And Assessment	-
Teachers Guides	-
Total	2,194,267

2 Capitation Grant for Operations

Description	2020-2021
	Kshs
Personnel emoluments	3,888,451
Maintenance and Improvement	3,370,001
Local transport / travelling	1,166,535
Electricity and water	1,555,380
Medical	-
Administration costs	1,166,535
Activity	-
Total	11,146,902

3 Parents Contribution/Fees - School Fund Account

Description	2020-2021
	Kshs
Personnel emoluments	5,026,878
Fee on Boarding Equipment and Stores	11,867,952
Academic programme	3,206,818
Maintenance and Improvement	2,746,000
Local transport / travelling	2,909,928
Electricity and water	4,194,355
Uniform	55,201
Uniform & other items	230,250

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

Description	2020-2021
	Kshs
PTA/Development	5,000
Administration costs	1,024,770
Activity	-
Total	31,267,151

Notes to the Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2020-2021
	Kshs
Fee On Boarding Equipment and Stores	-
Rent Income	-
Income From Farming Activities	3,100
Insurance compensation	2,487
Income From Posho Mill	
Income From Bus Hire	
Fee For Hire of Ground and Equipment	81,000
Income From Grants and Donations*	
Tender fee	
Dividends Income	
Total	86,587

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 Payments for Tuition

Description	2020-2021
	Kshs
Textbooks And Reference Materials	-
Exercise Books	
Laboratory Equipment	2,695,685
Internal exams	
Teaching / learning materials	1,454,580
Evaluation test	126,100
Exams and assessment	
Administration Costs	
Total	4,276,365

Notes to the Financial Statements (Continued)

6 Payments for Operations

Description	2020-2021	
	Kshs	
Personnel emoluments		2,823,202
BOM Teachers		425,930
Administration Cost		523,400
Maintenance and Improvement		6,033,373
Local transport / travelling		632,450
Electricity and water		1,272,020
Bank Charges		
Payables		
Total		11,710,375

Notes to the Financial Statements (Continued)

7 Boarding and School Fund Payments

Description	2020-2021	
	Kshs	
Personnel emoluments		3,323,587
Academic programme		1,137,400
Maintenance & Improvements		-
Uniform		20,000
Uniform & other items		30,000
PTA/Development		3,442,840
Local transport / travelling		1,346,836
Electricity and water		2,414,835
Medical Expenses-BUNOTESWA		295,856
Bus insurance		240,116
BOM Teachers		174,720
KESSHA		32,500
Administration costs		999,076
Expenses on Income Generating Activities		26,269
Fee on Boarding Equipment and Stores		10,333,495
TOTAL		23,817,529

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

Notes to the Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	01025054617800	448,227	2,286
Operations Account	01242054617801	1,236,688	300,181
School Fund Account/Boarding	01021054617801	13,350,613	6,421,227
Parent Association Development Account			
Infrastructural Account	01022054617800	1,245,377	4,532,750
Total		16,280,906	11,256,445

9 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
PA Account		
Operation Account	61,348	10,955
School Fund account		184,216
Total	61,348	195,171

10 Short Term Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (Continued)

11 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	90,143,013	83,946,733
Other Non-Fees Receivables	-	-
Salary Advances	-	-
N.S.S.F	-	-
Total	90,143,013	83,946,733

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears For Current Year	7,839,919	-
Fees Arrears For The Previous Year	13,407,028	15,050,667
Fees Arrears For Prior Periods (Over Two Years)	68,896,066	68,896,066
Total	90,143,013	83,946,733

12 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	11,843,385	5,647,105
Prepaid Fees		
Retention Monies		
Total	11,843,385	5,647,105

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors for Current Year	11,843,385	-
Trade Creditors for The Previous Year	-	5,647,105
Trade Creditors for Prior Periods (Over Two Years)	-	-
Total	11,843,385	5,647,105

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

Notes to the Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	11,256,445	11,256,445
Cash Balances	195,171	195,171
Short Term Investments	-	-
Receivables	83,946,733	83,946,733
Payables	(5,647,105)	(5,647,105)
Total	89,751,244	89,751,244

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

15 Biological assets

Description	Numbers	2020-2021
		Kshs
Cattle	11	170,000
Goats		
Trees	120	50,000
Coffee Or Tea Plantation		
Total	131	220,000

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

16 Borrowings

Description	2020-2021
	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	2020-2021
	Kshs
b) Inventory	
Stock/ inventory at beginning of the year	-
Stock/ inventory purchased during the year	34,051,378
Stock/ inventory issued during the year	32,016,002
Balance at end of the year	2,035,376

BUTULA BOYS HIGH SCHOOL
Reports and Financial Statements for Six months' period ended 30th June 2021

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)

 Sign and Date
 Principal

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

Annex 1 - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	A	B	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. PEAK LTD	1478685	N/A	0.00	1478685	1478685	
5. JUAKALI STRUCTURAL ENGINEERING	1021200	N/A	0.00	1021200	1021200	
6. AUKI DISTRIBUTORS	1014370	N/A	0.00	1014370	1014370	
7. BOOKFLYER PRECISE	690000	N/A	0.00	690000	690000	
8. STAFON HOLDING LIMITED	677970	N/A	0.00	677970	677970	
9. REDERS QUEST PUBLISHERS	616300	N/A	0.00	616300	616300	
10. FREDRICK OMOTO	511940	N/A	0.00	511940	511940	
11. TULEANE AFRICA CO.LTD	450000	N/A	0.00	450000	450000	
12. SUNSHINE AUTOMOBILE	420683	N/A	0.00	420683	420683	
13. BENCO MERCHANTS	417000	N/A	0.00	417000	417000	
14. ORIENT PUBLISHERS	399800	N/A	0.00	399800	399800	

BUTLEA BOYS HIGH SCHOOL
Reports and Financial Statements for Six months' period ended 30th June 2021

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
15. COPYSTAR LTD	339400	N/A	0.00	339400	339400	
16. NEW EBENEZA ELECTRICAL	304760	N/A	0.00	304760	304760	
17. CHRISTINE HAMIS MWANZA	270000	N/A	0.00	270000	270000	
18. FRANCIS OPALO	258000	N/A	0.00	258000	258000	
19. EAST AFRICAN EDUCATIONAL SERVICES	225040	N/A	0.00	225040	225040	
20. MAPSENETA ENTERPRISES	225000	N/A	0.00	225000	225000	
21. SYLVESTER ACHIENG SUMALA	221200	N/A	0.00	221200	221200	
22. CYBER SCHOOL TECHNOLOGY SOLUTION LTD	213440	N/A	0.00	213440	213440	
23. POSTER BUTCHERY	209600	N/A	0.00	209600	209600	
24. FLORA AUMA AMBOKO	200000	N/A	0.00	200000	200000	
25. MARGARET NIGHT ODUORI	199641	N/A	0.00	199641	199641	
26. EDINA SEME	163600	N/A	0.00	163600	163600	
27. LUCHEMMA ENTERPRISES	157500	N/A	0.00	157500	157500	
28. IRENE DESIGN DECO	138200	N/A	0.00	138200	138200	
29. MARCA ETERPRISE	129900	N/A	0.00	129900	129900	
30. TALCOMM TECHNOLOGIESLTD	116900	N/A	0.00	116900	116900	
STAR RICE HARDWARE	105800	N/A	0.00	105800	105800	
ST CATHERINES SPECIAL SCHOOL	99000	N/A	0.00	99000	99000	
JAO MUMIAS GARMENTS	97700	N/A	0.00	97700	97700	
WEGO TRADERSLTD	90000	N/A	0.00	90000	90000	
HELLEN NDOLO	87400	N/A	0.00	87400	87400	

BUTULA BOYS HIGH SCHOOL

Reports and Financial Statements for Six months' period ended 30th June 2021

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
BENCHMARK MEDIA LTD	74356	N/A	0.00	74356	74356	
MERRY ENTERPRISES	45000	N/A	0.00	45000	45000	
WYCLIFFE ODUORI MUTOKA	41200	N/A	0.00	41200	41200	
HUMPHREY OMORO	36100	N/A	0.00	36100	36100	
EDYTH LUNANI	33840	N/A	0.00	33840	33840	
MOSES AGUNDA	62500	N/A	0.00	62500	62500	
Sub-Total	11,843,385	N/A	0.00	11,843,385	11,843,385	
Supply Of Services						
Sub-Total						
Grand Total	11,843,385	N/A	0.00	11,843,385	11,843,385	

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	1965	BUTULA	2,500,000	0	0	2,500,000
Land 2	N/A					
Buildings And Structures	1965-2021	BUTULA	120,000,000	0	0	120,000,000
Motor Vehicles	2007	BUTULA	4,000,000	0	0	4,000,000
Office Equipment, Furniture And Fittings	1990-2021	BUTULA	6,000,000	0	0	6,000,000
ICT Equipment, And Other ICT Assets	2002-2021	BUTULA	10,000,000	0	0	10,000,000
Tools And Apparatus	1990-2021	BUTULA	12,000,000	0	0	12,000,000
Textbooks	1990-2021	BUTULA	8,000,000	0	0	8,000,000
Generator	2005	BUTULA	300,000	0	0	300,000
Grinding mill	2008	BUTULA	157,000	0	0	157,000
Intangible Assets- Soft Ware						
Total	1965-2021	BUTULA	162,957,000	0	0	162,957,000

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