

REPUBLIC OF KENYA



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REPORT

OF

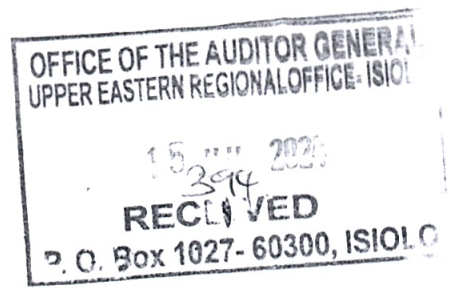
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 NOV 2024	DAY. TUE
TABLED BY:	HON. NAOMI WAQO MP DEP. MAJORITY PARTY WHIP
CLERK-AT THE-TABLE:	MERCY CHUMD

THE AUDITOR-GENERAL

ON

**KULAMAWE SECONDARY SCHOOL
FOR THE YEAR ENDED
30 JUNE, 2022**

ISIOLO COUNTY



KULAMAWE SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

KULAMAWE SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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KULAMAWE SECONDARY SCHOOL

Reports and Financial Statements

For the year ended 30th June 2022

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 Isiolo County, Garbatulla Sub-County

The school was registered in **October, 2015** under registration number **17S300000062** and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had one hundred and eighty-five (185) students as at **30th June 2022**. It has single streams and ten (10) teachers of which one (1) teacher was 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	Jaldesa Hapite Bonaya	Chairman	19/10/2019
2	Abdinoor Ibrahim Shanu	Secretary - Principal	19/10/2019
3	Halima Bonaya Kanchara	Member	19/10/2019
4	Kiri Jirmato	Member	19/10/2019
5	Mohamed Hallo	Member	19/10/2019
6	Wario Halake	Member	19/10/2019
7	Jamila Sora	Member	19/10/2019
8	Mohamed Sama Halake	Member – Rep CEB	19/10/2019
9	Adan Abdirahman Abduba	Member Rep Teachers	19/10/2019
10	Madera Bonaya	Rep CEB	19/10/2019
11	Issa Roba Golole	Member - Rep CEB	19/10/2019
12	Hassan Kanchora	Member –Rep Special interest	19/10/2019
13	Hassan Ali	Member Special Needs	19/10/2019
14	Aisha Diba Dabaso	Rep Students	19/10/2019

KULAMAWE SECONDARY SCHOOL
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For the year ended 30th June 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended
1	Executive Committee	1. Wario Halake	Chairman	2 out of 3
		2. Hassan Kanchora	Secretary	2 out of 3
		3. Mohamed Hallo		2 out of 3
		4. Idris Boru Ali		2 out of 3
		5. Abdinoor Ibrahim		2 out of 3
2	Audit Committee	1. Idris Boru Ali	Chairman	2 out of 3
		2. Mohamed Hallo		2 out of 3
		3. Wario Halake		2 out of 3
		4. Abdinoor Ibrahim	Secretary	2 out of 3
		5. Hassan Kanchora		2 out of 3
3	Finance, procurement and general purposes Committee	1. Idris Boru Ali	Chairman	2 out of 3
		2. Jamila Sora		2 out of 3
		3. Mohamed Halake		2 out of 3
		4. Abdinoor Ibrahim	Secretary	2 out of 3
		5. Wario Halake		2 out of 3
4	Academic Committee	1. Sadia Boru Bidu	Chairman	2 out of 3
		2. Adan Abdirahman		2 out of 3
		3. Hassan Ali		2 out of 3
		4. Abdinoor Ibrahim	Secretary	2 out of 3
		5. Halima Bonaya		2 out of 3
5	Development Committee	1. Idris Boru	Chairman	2 out of 3
		2. Jamila Sora		2 out of 3
		3. Wario Halake		2 out of 3
		4. Abdinoor Ibrahim	Secretary	2 out of 3
		5. Mohamed Hallo		2 out of 3

KULAMAWE SECONDARY SCHOOL
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6	Discipline and welfare Committee	1. Idris Boru	Chairman	2 out of 3
		2. Mohamed Hallo		2out of 3
		3. Hassan Ali		2 out of 3
		4. Wario Halake		2 out of 3
		5. Adan Abdirahman		2 out of 3
		6. Abdinoor Ibrahim	Secretary	2 out of 3
		7. Kiri Jirmato		2 out of 3
		8. Sadia Boru Bidu		2 out of 3
		9. Hassan Kanchora		2out of 3
		10. Issa halake		2 out of 3
		11. Halima Bonaya		2out of 3
		12. Jamila Sora		2 out of 3
		13. Mohamed Halake		2 out of 3
		14. Aisha Diba		2 out of 3
7	Adhoc Committee (if any during the year)			

(d) 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	Abdinoor Ibrahim	432683
2	Deputy Principal	Yunis Hersi	557403

KULAMAWE SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 893-60300, Isiolo
Telephone: 0723930576
E-mail: kulamawesecondaryschool@gmail.com
Website: -
Facebook: -
Twitter: -

(f) School Bankers

The school operated four (4) bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Equity
Branch: Isiolo
Account Name: School fund account
Account Number: 0410261545569
2. Name of Bank: Equity
Branch: Isiolo
Account Name: Tuition account
Account Number: 0410260886476
3. Name of Bank: Equity
Branch: Isiolo
Account Name: Operation account
Account Number: 0410260886516
4. Name of Bank: Equity
Branch: Isiolo
Account Name: Infrastructure account
Account Number: 01410266863845

(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

KULAMAWE SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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 two years

<i>YEAR</i>	<i>2021/2022</i>	<i>2021</i>
<i>Surplus/deficit</i>	<i>536,294</i>	<i>1,887,848</i>

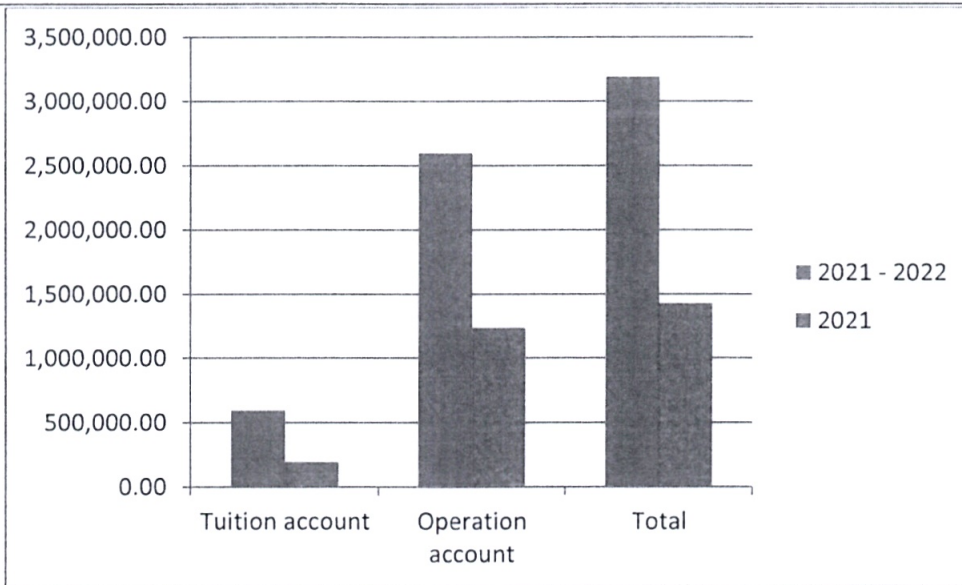
Surplus for the year and a comparison for the last two years



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

	<i>2021 - 2022</i>	<i>2021</i>
<i>Tuition account</i>	<i>594,771</i>	<i>192,814</i>
<i>Operation account</i>	<i>2,595,611</i>	<i>1,234,576</i>
<i>Total</i>	<i>3,190,382</i>	<i>1,427,390</i>

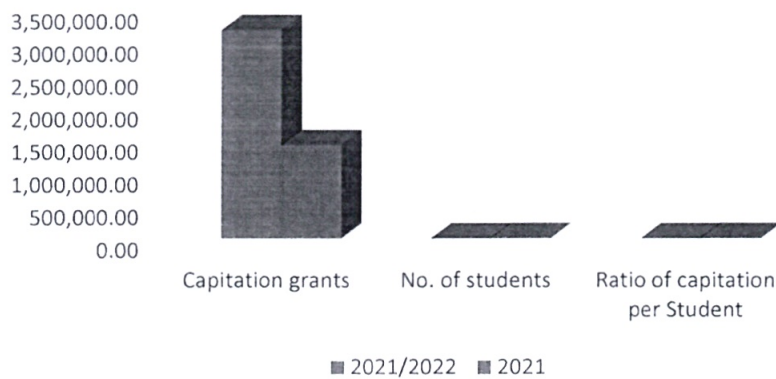
KULAMAWE SECONDARY SCHOOL
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For the year ended 30th June 2022



Ratio of capitation grant per student over the last two years

<i>YEAR</i>	<i>2021/2022</i>	<i>2021</i>
<i>Capitation grants</i>	<i>3,190,382</i>	<i>1,427,390</i>
<i>No. of students</i>	<i>185</i>	<i>148</i>
<i>Ratio of capitation per Student</i>	<i>1:17,245</i>	<i>1:9,645</i>

Ratio of capitation grant per student over the last two years



KULAMAWE SECONDARY SCHOOL
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For the year ended 30th June 2022

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

The school did not earn income from other sources except the grants received from the ministry of education and fees paid by the parents.

<i>YEAR</i>	<i>2021/2022</i>	<i>2021</i>
<i>School fund account</i>	6,624,533	2,413,446

A two year growth of School fund account income

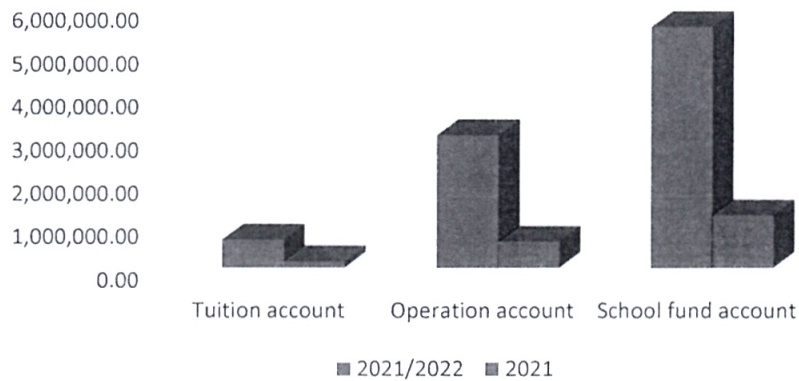


A two-year overview of growth in expenditure of the school

	<i>2021/2022</i>	<i>2021</i>
<i>Tuition account</i>	642,745	140,100
<i>Operation account</i>	3,062,140	598,200
<i>School fund account</i>	5,573,736	1,214,688

KULAMAWE SECONDARY SCHOOL
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A two year overview of growth in expenditure of the school



Movement of debtors and creditors of the school over the last two years

	<i>2021/2022</i>	<i>2021</i>
<i>Sundry debtors</i>	<i>5,214,606</i>	<i>4,306,304</i>
<i>Sundry creditors</i>	<i>250,698</i>	<i>360,128</i>

Movement of debtors and creditors over the last two years

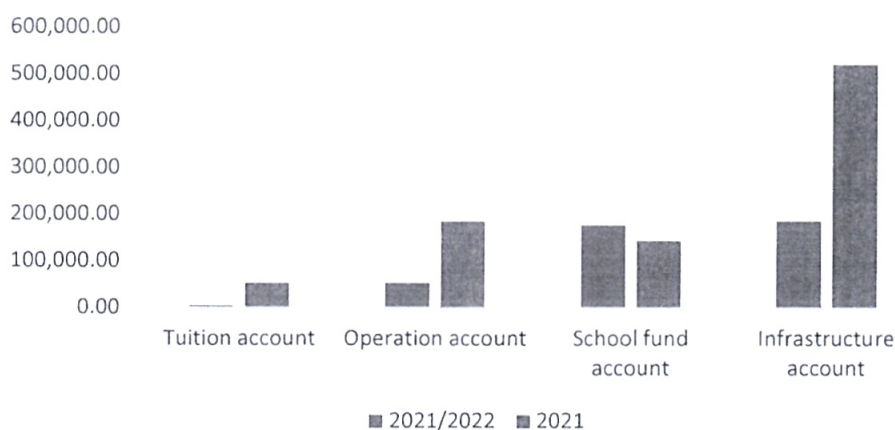


KULAMAWE SECONDARY SCHOOL
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For the year ended 30th June 2022

Movement of cash and bank balances over the last two years

	<i>2021/2022</i>	<i>2021</i>
<i>Tuition account</i>	4,697	52,671
<i>Operation account</i>	53,288	184,637
<i>School fund account</i>	176,671	143,606
<i>Infrastructure account</i>	186,015	521,195

Movement of cash and bank balances over the last two years



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

b) Teacher Student ratio:

- Teacher to student ratio = $\frac{\text{No. of students}}{\text{No. of teachers}} = \frac{185}{11} = 17$
- No. of teachers recruited within the year Nil
- No. of teachers posted to the school within the year Nil
- No. of teachers that were transferred during the period Nil
- No. of teachers that retired the year Nil
- No. of teachers employed by TSC 10
- No. of teachers employed by BOM 2

KULAMAWE SECONDARY SCHOOL
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Subject	Eng	Kisw	Math	Bio	Chem	Phys	Agri	B/S	Hist	Ire	Cre	Geo
No. of TSC teachers	1	3	2	2	3	0	1	1	2	1	1	
No. of BOM teachers												1
Surplus												
Shortage						1						1

c) Mean score in the 2021-2019 KCSE:

<i>YEAR</i>	<i>KCSE Mean Score</i>	<i>No. of students that have transitioned to institutions of higher learning</i>	<i>Comment</i>
2021	5.59	16	Great improvement
2020	3.86	4	Slight drop
2019	4.29	6	Average

d) Number of Candidates in the 2021 KCSE:

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

<i>KCSE Year</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Number of candidates</i>	41	42	32

e) Capacity of the school:

The school has a population of one hundred and eighty-five (185). This number consists of one hundred and five (105) boys and eighty (80) Girls. All the boys are boarders while the girls are day scholars. The school has only one (1) dormitory with a capacity to accommodate fifty-five (55) students. The remaining boys i.e. fifty (50) are accommodated in a classroom as a short term measure to decongest the dormitory. Thus, the school is in

KULAMAWE SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

dire need of two (2) extra dormitories considering the fact that it has high prospect for growth.

The school lacks a dining hall. Food is prepared and served in a makeshift kitchen made of iron sheets. Efforts to build a dining hall through CDF funding have not been successful.

Thus, the school urgently needs a dining hall.

There is only one (1) laboratory in the school which was constructed in the year 2013 courtesy of funding from defunct ministry of Northern Kenya and other arid lands. This has posed a challenge to the teaching and learning of science subjects in the school. Hence, the school requires additional two (2) laboratories as a matter of priority.

Currently, there are four (4) latrines for girls, four (4) latrines for boys and five (5) bathrooms for boys. There is also need for (4) additional toilets i.e. two (2) for boys and two (2) for girls to cater for the rapidly growing students' population.

<i>Facility</i>	<i>Available infrastructure</i>	<i>Quantity required</i>	<i>Infrastructure gap</i>	<i>Comment</i>
<i>Science laboratories</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>Urgent</i>
<i>Dormitories</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>Urgent</i>
<i>Library</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>urgent</i>
<i>Students toilets</i>	<i>8</i>	<i>4</i>	<i>4</i>	<i>Urgent</i>
<i>Staff washroom</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>Urgent</i>
<i>Classrooms</i>	<i>7</i>	<i>2</i>	<i>2</i>	<i>Urgent</i>
<i>Water tank</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>Urgent</i>
<i>Boardroom</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>Urgent</i>
<i>Staff houses</i>	<i>2</i>	<i>4</i>	<i>4</i>	<i>Urgent</i>

f) Development projects carried out by the school:

One classroom and four bathrooms were constructed during the year. The projects were funded using maintenance and improvement funds received from the ministry of education during 2021/2022 financial year and maintenance and improvement allocation from the previous financial year (2021 January to June) which was not utilised then as it was considered to be insufficient for the intended project.

KULAMAWE SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

Development projects carried out by the school

<i>Project analysis</i>		
	<i>Name of projects</i>	
	<i>Classroom construction</i>	<i>Bathrooms Construction</i>
<i>Sources of funds</i>	<i>Maintenance and improvement fund</i>	<i>Maintenance and improvement fund</i>
<i>Estimated(BQ) cost</i>	<i>Kshs.1,020,000</i>	<i>Kshs.353,000</i>
<i>Contract cost</i>	<i>Kshs.1,020,000</i>	<i>Kshs.353,000</i>
<i>Start date of project</i>	<i>01/04/2022</i>	<i>01/04/2022</i>
<i>Status(Stalled,W.I.P,Complete)</i>	<i>Complete</i>	<i>Complete</i>
<i>Amount spent</i>	<i>Kshs.1,020,000</i>	<i>Kshs.353,000</i>
<i>Amount required to complete the project</i>	<i>Nil</i>	<i>Nil</i>
<i>Comment on the project: Success/ Challenges</i>	<i>Classroom completed and currently in use</i>	<i>Bathrooms completed and currently in use</i>

Sign.....

School Principal



KULAMAWE SECONDARY SCHOOL
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For the year ended 30th June 2022


III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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

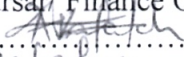
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

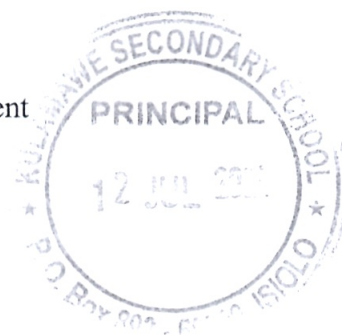
The Board of Management of (*Kulamawe Secondary School*) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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.

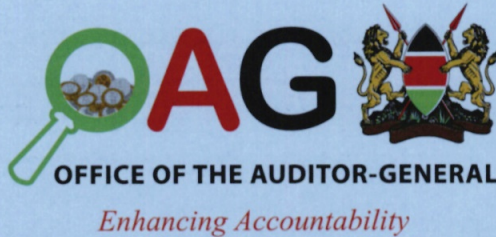
Name: Idris Boru Ali
Designation: Chairman, School Board of Management
Sign: 
Date: 12/07/2022

Name: Abdinoor Ibrahim Shanu
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 12/07/2022

Name: Abdifatah Bakaye
Designation: Bursar/ Finance Officer
Sign: 
Date: 12/07/2022



REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON KULAMAWE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - ISIOLO COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kulamawe Secondary School - Isiolo County set out on pages 17 to 34, which comprise of the statement of financial

Report of the Auditor-General on Kulamawe Secondary School for the year ended 30 June, 2022-Isiolo County

assets and financial liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of financial statements submitted for audit revealed variances between the balances reflected in the statement of receipts and payments and balances in the cashflow statement as detailed below;

Financial Statement Component	Balance as per the Statement of Receipts and Payments (Kshs)	Balance as per the statement of Cash Flows (Kshs)	Variance (Kshs)
School Fund Income-Parents Contribution	6,624,533	5,504,281	1,120,252
Boarding and School Fund Payments	5,573,736	5,471,216	102,520

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

2. Long Outstanding Account's Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,214,606 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.3,377,888 which had been outstanding for more than two years.

In the circumstances, the completeness, accuracy and recoverability of the receivables balance of Kshs.5,214,606 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kulamawe 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 budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.7,708,638 and Kshs.9,814,915 respectively, resulting to an over-funding of Kshs.2,106,277 or 27.32% of the budget. However, the School spent an amount of Kshs.9,275,891 against actual receipts of Kshs.9,814,915 resulting to an under-utilization of Kshs.539,024 or 5.49% of actual receipts.

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

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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2022 were submitted for audit on 22 May, 2024 which was one year and seven months after the statutory deadline of 30 September, 2022 contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires accounting officer to prepare and submit the annual financial statements for each financial year to the Auditor-General within three (3) months after the end of the financial year for audit.

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

2. Transfer of Funds to Kenya Secondary Schools Heads Association

As previously reported, the statement of receipts and payments reflects payment for operations of Kshs.3,062,140 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.26,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.26,000 could not be confirmed.

3. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

4. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.3,190,382. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021/2022, NEMIS reflected one hundred and eighty-five (185) students while records from the County Director of Education had two hundred and sixteen (216) students, resulting to unregistered thirty-one (31) students. Management indicated that the students were not registered as a result of lack of birth certificates and cases of over aged students. The under-registration in NEMIS may have resulted to an underfunding of the School by an amount of Kshs.689,564. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the underfunding of the School may have affected service delivery to the students.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Governance System

Review of internal control system in place revealed that the School lacked crucial institutional policies, manuals and documents on key functional areas including Human Resource Policy and Procedures Manual, up to date approved organizational chart, Disaster Recovery Plan or Business Continuity Plan and Assets Management Policy.

Further, the School did not have an approved IT Policy for governance and management of its ICT resources and there was no ICT Steering Committee in place to assist in the development of ICT Policy framework.

In the circumstances, the adequacy and effectiveness of the internal control and risk management framework could not be confirmed.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.39,442,280 in respect of fixed assets which includes land with a balance of Kshs.8,000,000. However, land ownership documents were not provided for audit.

In the circumstances, the accuracy, completeness and ownership of land balance of Kshs.8,000,000 could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

Because of its inherent limitations, internal 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 School 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 to continue to sustain its services.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 October, 2024

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	2020-2021 Kshs
RECEIPTS			
Capitation grants for tuition	1	594,771.00	192,814
Capitation grants for operations	2	2,595,611.00	1,234,576
School Fund Income- Parents' Contributions	3	6,624,533.00	2,413,446
School Fund Income- Other receipts	4		-
Proceeds from borrowings			-
TOTAL RECEIPTS		9,814,915	3,840,836
PAYMENTS			
Payments for Tuition	5	642,745	140,100
Payments for operations	6	3,062,140	598,200
Boarding and school fund payments	7	5,573,736	1,214,688
TOTAL PAYMENTS		9,278,621	1,952,988
SURPLUS/DEFICIT		536,294	1,887,848

The school financial statements were approved on 12/07/2022 and signed by:

Sign: 

Name: IDRIS BORU

Chair BOM

Date 12/07/2022

Sign: 

Name: ABDINOOR IBRAHIM

School Principal/
Secretary to BOM

Date 12/07/2022

Sign: 

Name: ABDIFATAH BAKAYE

Bursar/
Finance Officer

Date 12/07/2022



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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	420,672	899,139
Cash Balances	9	-	2,970
Short term Investment	10	-	
Total Cash and cash equivalent		<u>420,672</u>	<u>902,109</u>
Account's receivables	11	5,214,606	4,306,304
TOTAL FINANCIAL ASSETS		5,635,278	5,208,413
FINANCIAL LIABILITIES			
Accounts Payables	12	250,698	360,128
NET FINANCIAL ASSETS		5,384,580	4,848,285
(REPRESENTED BY			
Accumulated Fund b/fwd	13	4,848,285	2,960,437
Surplus/Deficit for the year		536,295	1,887,848
NET FINANCIAL POSSITION		5,384,580	4,848,285

The School's financial statements were approved on 12/07/2022 and signed by:

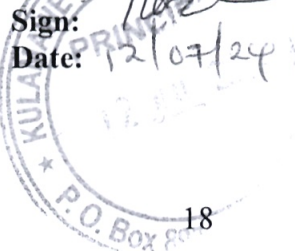
Name: IDRIS BORU
Chairman, BoM

Sign: 

Date: 12/07/2022

Name: ABDINOOR
 IBRAHIM
School Principal/Secretary to BoM

Sign: 
Date: 12/07/2022



Name: ABDIFATAH
 BAKAYE
Bursar/Finance

Sign: 

Date: 12/07/2022

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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

	2021-2022	2020-2021
	Kshs	Kshs
Receipts for operating income		
Capitation grants for tuition	594,771	192,814
Capitation grants for operations	2,595,611	1,234,576
School fund income- Parents contributions/ fees	5,504,281	1,609,148
School fund income- other receipts		-
Total receipts	8,694,663	3,036,538
Payments		
Payments for Tuition	642,745	140,100
Payments for operations	1,683,860	598,200
Boarding and school fund payments	5,471,216	1,479,018
Total payments	7,797,821	2,217,318
Net cash flow from operating activities	896,842	819,220
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets	-	-
Acquisition of Assets	(1,378,280)	(-)
Proceeds from investments	-	-
Purchase of investments	-	(-)
Net cash flows from Investing Activities		-
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans	-	-
Repayment of principal borrowings	-	-
Net cash flow from financing activities		-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(481,438)	819,220
Cash and cash equivalent at BEGINNING of the year	902,109	82,889
Cash and cash equivalent at END of the year	420,672	902,109

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	76,664	-	76,664	61,994	14,670	81%
Exercise books	191,660	-	191,660	284,992	(93,332)	149%
Laboratory equipment	229,992	-	229,992	169,508	60,484	74%
Internal exams	114,996	-	114,996	20,586	94,410	18%
Teaching / learning materials	153,328	-	153,328	57,691	95,637	38%
Chalks		-		-		
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
SUB TOTAL	766,640		766,640	594,771	171,869	78%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	610,418	-	610,418	655,348	(44,930)	107%
Repairs and maintenance	925,000	-	925,000	1,044,000	(119,000)	112%
Local transport / travelling	332,977	-	332,977	237,267	95710	71%
Electricity and water	333,044	-	333,044	367,618	(34,574)	110%
Medical	-	-	-	-	-	-
Administration costs	425,559	-	425,559	291,379	134,180	68%
Activity	-	-	-	-	-	-
SUB TOTAL	2,626,998		2,626,998	2,595,611	31,387	99%

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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
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	242,000	-	242,000	317,155	(75,155)	131%
Repairs and maintenance	189,750	-	189,750	91,250	98,500	48%
Local transport / travelling	50,600	-	50,600	78,445	(27,845)	155%
Electricity and water	381,700	-	381,700	470,865	(89,165)	123%
Medical	-	-	-	-	-	-
Administration costs	155,650	-	155,650	202,330	(46,680)	129%
Activity	16,500	-	16,500	4,800	11,700	29%
SMASSE	-	-	-	-	-	-
Fee on Boarding Equipment and Stores	3,278,800	-	3,278,800	5,459,688	(2,180,888)	167%%
SUB TOTAL	4,315,000		4,315,000	6,624,533	(2,309,533)	153%
OTHER INCOME						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	-	-	-
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire	-	-	-	-	-	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Income from any other investment	-	-	-	-	-	-
TOTAL INCOME	7,708,638		7,708,638	9,814,915	(2,106,277)	127%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference	76,664	-	76,664	61,854	14,810	81%

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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
materials						
Exercise books	191,660	-	191,660	271,610	(79,950)	142%
Laboratory equipment	229,992	-	229,992	215,580	14,412	94%
Internal exams	114,996	-	114,996	20,000	94,996	114%
Teaching / learning materials	153,328	-	153,328	70,971	82,357	46%
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
SUB TOTAL	766,640		766,640	640,015	126,625	83%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	341,169.00	-	341,169.00	716,800	-375,631	87%
Repairs, maintenance & improvements	553,000.00	-	553,000.00	-	553,000.00	0%
Local transport / travelling	101,927.00	-	101,927.00	256,800	-154,873	90%
Electricity, water and conservancy	136,553.00	-	136,553.00	383,550	-246,997	84%
Medical	-	-	-	-	-	-
Administration costs	101,927.00	-	101,927.00	326,710	-224,783	93%
Activity Expenses	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
Acquisition of assets	1,378,280.00		1,378,280	1,378,280	-	100%
Bank charges	-	-	-	900	(900)	-
SUBTOTAL	2,612,856		2,612,856	3,062,140	-449,284	117%
(3) EXPENDITURE FOR SCHOOL FUND						
Repairs, maintenance and improvements	189,750	-	189,750	35,000	154,750	18%

KULAMAWE SECONDARY SCHOOL
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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
Local transport / travelling	50,600	-	50,600	78,000	(27,400)	154%
Electricity, water and conservancy	385,336	-	385,336	552,100	(166,764)	143%
Medical Expenses	-	-	-	-	-	-
Administration costs	155,650	-	155,650	201,135	(45,485)	129%
Activity	16,500	-	16,500	4700	11,800	28%
Gratuity	-	-	-	-	-	-
Lunch programme/BES	3,278,800	-	3,278,800	4,388,701	(1,109,901)	134%
Expenditure for Income Generating Activity	-	-	-	-	-	-
Personal emolument	242,000	-	242,000	314,100	(72,100)	128%
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
SUB TOTAL	4,318,636		4,318,636	5,573,736	(1,255,100)	129%
TOTALS	7,698,132	-	7,698,132	9,275,891	(1,577,759)	120%

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.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
		Kshs
Textbooks and reference materials	61,994	9,640
Exercise books	284,992	94,977
Laboratory equipment	169,508	37,122
Internal exams	20,586	17,497
Teaching / learning materials	57,691	28,904
Chalks		4,674
Exams and assessment		-
Teachers guides		-
Total	594,771	192,814

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
		Kshs
Personnel emoluments	655,348	341,169
Repairs and maintenance	1,044,000	553,000
Local transport / travelling	237,266	101,927
Electricity and water	367,618	136,553
Medical		-
Administration costs	291,379	101,937
Activity		-
Total	2,595,611	1,234,576

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	317,155	44,970
Repairs and maintenance	91,250	50,485
Local transport / travelling	78,445	13,740
Electricity and water	470,865	52,120
Medical	-	-
Administration costs	202,330	19,645
Activity	4,800	50
Lunch programme	5,459,688	2,232,436
Total	6,624,533	2,413,446

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Income from farming activities	-	-
Insurance compensation	-	-
Income from Posho mill	-	-
Income from Bus Hire	-	-
Fee for hire of ground and equipment	-	-
Income from grants and donations*	-	-
Interest income	-	-
Dividends income	-	-
Total	-	-

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

5 PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	61,854	7,000
Exercise books	271,610	67,402
Laboratory equipment	215,580	27,098
Internal exams	20,000	-
Teaching / learning materials	70,971	25,000
Chalks	-	-
Exams and assessment	-	13,000
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	2,730	600
Total	642,745	140,100

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	716,800	297,250
Service Gratuity		-
Administration Cost	325,810	94,800
Repairs and maintenance & improvements		-
Local transport / travelling	256,800	92,000
Electricity and water	383,550	114,150
Medical	-	-
Activity Expenses	-	-
SMASSE	-	-
Insurance Cost	-	-
Bank Charges	900	-
Acquisition of Assets	1,378,280	-
TOTAL	3,062,140	598,200

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	314,100	40,300
Service Gratuity	-	-
Repairs and maintenance & Improvements	35,000	47,923
Local transport / travelling	78,000	8,600
Electricity and water	552,100	52,000
Medical Expenses	-	-
Administration costs	201,135	20,915
Activity	4,700	
Lunch Programme/BES	4,388,701	1,044,950
Bank Charges	-	-
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	5,573,736	1,214,688

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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	0410260886476	4,697	52,671
Operations Account	0410260886516	53,288	181,667
School Fund Account/Boarding	0410261545569	176,671	143,606
Savings Account		-	-
Parent Association Development Account		-	-
Income generating activities Account		-	-
Infrastructural Account	0410266863845	186,015	521,195
Total		420,672	899,139

9 CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	2,970
School Fund account	-	-
Total	-	2,970

10 SHORT TERM INVESTMENTS

Description	2021-2022	2021-2022
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	5,214,606	4,306,304
Other non-fees receivables		-
Salary advances		-
Imprest		-
Total	5,214,606	4,306,304

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	1,522,302	928,416
Fees arrears for the previous year	928,416	950,590
Fees arrears for prior periods (over two years)	3,377,888	2,551,416
Less recovery	614,000	124,118
Total	5,214,606	4,306,304

12 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	-	-
Prepaid fees	250,698	360,128
Retention monies	-	-
Total	250,698	360,128

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepaid fees current year	102,520	73,950
Trade creditors for current year	-	-
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	204,000
Less refund caution money	-	9,500
Prepaid fees previous years	360,128	420,838
Less prepaid recovery	211,950	125,160
Paid creditors	-	204,000
Total	250,698	360,128

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	899,139	82,889
Cash balances	2,970	-
Short Term Investments		-
Receivables	4,306,304	3,502,006
Payables	360,128	624,838
Total	4,848,285	2,960,057

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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			-
Goats			-
Trees			-
Coffee or tea plantation			-
Poultry			-
Total			-

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		-

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Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	750,000	500,000
Stock/ inventory purchased during the year	2,000,000	670,000
Stock/ inventory issued during the year	2,300,000	420,000
Balance at end of the year	450,000	750,000

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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)

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1			8,000,000.00		-	8,000,000
Land 2			-	-	-	-
Buildings and structures			25,500,000.00	1,378,280	-	26,878,280
Motor vehicles			-	-		-
Office equipment, furniture and fittings			1,700,000.00	-	-	1,700,000
ICT Equipment, and Other ICT Assets			530,000.00	30,000	-	560,000
Tools and apparatus			1,027,000.00	27,000.00	-	1,054,000
Textbooks			1,200,000.00	-	-	1,200,000
Other Machinery and Equipment			-	-	-	-
Heritage and cultural assets			-	-		-
Intangible assets- soft ware			50,000.00	-	-	50,000.00
Total			38,007,000	1,435,280		39,442,280