

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 04 MAR 2025

DAY:  
Tuesday

OF

TABLED

BY:

Deputy chief Whip  
Majority Party  
Hon. Naomi Jillo  
Benson Inzofu

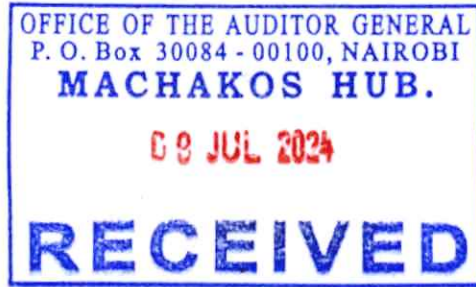
**THE AUDITOR-GENERAL**

**ON**

**SHIMO LA TEWA SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**MOMBASA COUNTY**



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**SHIMO LA TEWA SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND F  
INANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2022**

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

**SHIMO LA TEWA SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> JUNE 2022**

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PUBLIC SECONDARY SCHOOL  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> 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 Mombasa County, Kisauni Sub-County.

The school started in the year 1932 and was registered in 20/2/13 under registration number PU/S/3/5540/13 and is currently categorized as a National public school established, owned and operated by the Government.

The school is a boarding school and had 1658 number of students as at **30<sup>th</sup> June 2022**. It has 33 streams in total and 70 teachers of which 14 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:	Basic Education Act	Position	Name of Board Member	Date of appointment
1	56(1)(a)	Parent/ community	Conrad Simiyu	8/6/2022
2	56(1)(a)	Parent /community	Aidarus Abdirahman	8/6/2022
3	56(1)(a)	Parent/ community	F. K Bett	8/6/2022
4	56(1)(a)	Parent/commu nity	Joshua Mwavita	
5	56(1)(a)	Parent/commu nity	Evans Muasya	8/6/2022
6	56(1)(a)	Parent/Commu nity	Maria Ismail	8/6/2022
7	56(1)(b)	CFB rep	Dorothy Auma	8/6/2022
8	56(1)(c)	Teacher rep	Mr. Sabuni Patrice	8/6/2022
9	56(1)(d)	Sponsor	Opulu Charles	8/6/2022
10	56(1)(d)	Sponsor	Athman S.Chivatsi	8/6/2022
11	56(1)(d)	Sponsor	Prof.Suhaila Hashim	8/6/2022
12	56(1)(e)	Interest Group	Milicent ODhiambo	8/6/2022
13	56(1)(f)	Special Needs	Abdulaziz Shekuwe Athman	8/6/2022
14	56(1)(g)	Student rep	Dennis O. Oware	8/6/2022
15	62(1)	Principal	Mathew Mutiso Mbinda	8/6/2022
16	Third	PA Chair	Alfred Kingi	8/6/2022

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	Schedule of BEA 2013 Article (2)(3)	person/Co-opted			
17	Third Schedule of BEA 2013 Article(2)(4)	PA Member/Co-opted	Ambrose Kele	8/6/2022	
18	Third Schedule of BEA 2013 Article (2)(4)	PA Member/Co-opted	Titus M. Nthale	8/6/2022	

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**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 paragraph 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 during the year
1	Executive Committee	<ol style="list-style-type: none"> <li>1. Athman Sami Kivatsi</li> <li>2. Mathew Mutiso Mbinda</li> <li>3. Abdulaziz Shekuwe</li> <li>4. Conrad Simiyu</li> <li>5. Joshua J Mwavita</li> </ol>	Chairperson Member Member Member Member	4
2	Audit Committee	<ol style="list-style-type: none"> <li>1. Freddy Bett</li> <li>2. Athman Sami Kivatsi</li> <li>3. Joshua J Mwavita</li> <li>4. Titus M Nthale</li> <li>5. Ambrose Kele</li> <li>6. Suhaila Hashim</li> </ol>	Chairman Member Member Member Member Member	4
3	Finance, procurement and general purposes Committee	<ol style="list-style-type: none"> <li>1. Athman Sami Kivatsi</li> <li>2. Alfred Kingi</li> <li>3. Abdulaziz Shekuwe</li> <li>4. Joshua J Mwavita</li> <li>5. Mariam Ismail</li> <li>6. Conrad Simiyu</li> </ol>	Member Member Member Member Member Chairperson	5
4	Academic Committee	<ol style="list-style-type: none"> <li>1. Suhaila Hashim</li> <li>2. Aidarus Abdirahman</li> <li>3. Evans Muasya</li> <li>4. Mariam Ismail</li> <li>5. Mwero Haranga</li> <li>6. Alfred Kingi</li> </ol>	Chairperson Member Member Member Member Member	4

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5	Human Rights & Student Welfare Committee	<ol style="list-style-type: none"> <li>1. Dorothy Auma</li> <li>2. Conrad Simiyu</li> <li>3. Abdulaziz Shekuwe</li> <li>4. Patrice Sabuni</li> <li>5. Athman Sami Kivatsi</li> </ol>	Chairperson Member Member Member Member	3
6	Discipline and welfare Committee	<ol style="list-style-type: none"> <li>1. Charles A Opolu</li> <li>2. Millicent Odhiambo</li> <li>3. Aidarus Abdirahman</li> <li>4. Dorothy Auma</li> <li>5. Evans Muasya</li> <li>6. Khamis omar</li> </ol>	Chairperson Member Member Member Member Member	5

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Mathew Mbinda Mutiso	304146
2	Deputy Principal	Khamis Omar Mohamed	375350
3	School Bursar	Iddi Mdzambo Dzombo	ID NO-11460651

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**KEY SCHOOL INFORMATION AND MANAGEMENT**

**(e) Schools contacts**

Post Office Box: 90163 – 80100 MOMBASA  
Telephone: 0726323221  
E-mail: shimolatewaschoo@yahoo.com  
Website: www.shimolatewaschool.ac.ke  
Facebook: N/A  
Twitter: N/A

**(f) School Bankers**

The following school operated nine (9) bank accounts in the following banks:

1. Name of Bank: National Bank  
Branch: Nkrumah Road  
Account Number: 01021007525000  
Boarding Account
2. Name of Bank: National bank  
Branch: Nkrumah Road  
Account Number: 01025007525000  
Tuition Account
3. Name of Bank: National Bank  
Branch: Nkrumah Road  
Account Number: 01025007525001  
Operation Account
4. Name of Bank;Equity Bank  
Branch: Mtwapa  
Account Number: 1190260661743  
Boarding/Collection Account
5. Name of Bank: Equity Bank  
Branch: Mtwapa  
Account Number: 1190260661510  
Infrastructure Account
6. Name of Bank:National Bank  
Branch: Nkrumah Road  
Account Number: 01242007736100  
Savings Account
7. Name of Bank: National Bank  
Branch: Nkrumah Road  
Account Number: 01242007699800  
Savings Account

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8. Name of Bank :National Bank  
Branch: Nkrumah Road  
Account Number: 01242007744100  
Savings Account
  
9. Name of Bank :National Bank  
Branch: Mtwapa  
Account Number: 0102509180660  
PTA Current Account
  
10. MPESA Pay Bill No.041007525000 (Pay bill Account)  
National Bank: Mtwapa Branch.  
Paybill Account

**(g) Independent Auditors**

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

**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

**a) Financial performance:**

**(i) Surplus/ deficit for the year and a comparison of the same for the last three years**

S/N	ACCOUNT	2022	2021	2020
1	Tuition Account	268,911.00	1,239,144.00	(913,279.00)
2	Operation Account	6,147,636.00	(4,852,043.00)	(643,412.00)
3	Main Account	(6,068,550.00)	(6,421,689.00)	2,475,734.00

**(ii) Capitation grants from the Ministry of Education for the last three years**

S/N	ACCOUNT	2022	2021	2020
1	Tuition Account	5,079,639.80	1,494,844.00	2,454,950.00
2	Operation Account	22,047,547.00	9,371,255.00	15,994,168.00

**(iii) Ratio of capitation grant per student over the last three years**

S/N	ACCOUNT	2022	2021	2020
1	Tuition Account	1:2956	1:907	1:1651
2	Operation Account	1:12653	1:6998	1:10756

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

S/N	ACCOUNT	2022	2021	2020
1	Main Account	75,246,503.00	24,128,474.00	57,021,176.00

**(v) A three-year overview of growth in expenditure of the school**

S/N	ACCOUNT	2022	2021	2020
1	Tuition Account	4,810,729.00	255,700.00	3,368,229.00
2	Operation Account	22,178,018.00	14,223,299.00	16,637,580.00
3	Main Account	127,656,062.00	30,550,162.00	54,545,442.00

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**(vi) Movement of debtors and creditors of the school over the last three years**

S/N	PARTICULARS	2022	2021	2020
1	Debtors	36,028,971.00	34,699,678.00	37,448,311.00
2	Creditors	33,075,209.00	29,619,303.00	21,037,179.00

**(vii) Movement of cash and bank balances over the last three years**

S/N	PARTICULARS	2022	2021	2020
1	Cash On Hand	100,959.00	183,552.00	6,582.00
2	Cash At Bank	(183,266.00)	5,838,163.00	4,840,298.00

**b) Teacher Student ratio:**

1. Teacher to Student ratio	1:26
2. Number of teachers recruited/posted to the school within the year.	3
3. Number of teachers transferred during the year.	4
4. Number of teachers retired during the year.	0
5. Number of teachers employed by TSC.	52 Teachers
6. Number of teachers employed by BOM.	15 Teachers
7. Subject Allocation;	
(i) Maths	12
(ii) English	13
(iii) Kiswahili	15
(iv) Chemistry	14
(v) Biology	9
(vi) Physics	8
(vii) Business studies	6
(viii) Agriculture	4
(ix) Geography	7
(x) History and Govt.	5
(xi) CRE	7
(xii) IRE	7
(xiii) Arabic	1
(xiv) Germany	2

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(xv) French	2
(xvi) Woodwork	1
(xvii) Drawing and Design	1
(xviii) Computer	1
<b>NB: The school has a shortage of teachers for the following subjects:</b>	
Computer	1
Bio/Agriculture	1
IRE/Arabic	1
Kiswahili/CRE	3
Kiswahili/Geography	1
Physics/Maths	1
Kiswahili/ History	1
Bio/ Chem	3
Physics/ Chem	1
Maths/ Chem	1

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

S/N	DESCRIPTION	2022	2021	2020
1	Performance of the school	-	C+	C+
2	School mean score	-	7.14	6.2
3	Number of students transited to higher learning.	-	187	117

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**d) Number of Candidates in the 2022 KCSE:**

S/N	DESCRIPTION	2022	2021	2020
1	KCSE Candidates	331	361	289

**e) Capacity of the school:**

S/N	DESCRIPTION	2022
1	Number of students	1648
2	Dormitories	18
3	Dining Hall	1
4	Laboratories :- ICT Lab	1
	Biology lab	2
	Physics Lab	2
	Chemistry lab	4
5	Toilets	110
6	Kitchen	2

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

There were no projects in this financial year.

Sign 

**Chief Principal**

### **III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**


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

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

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

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

**Name:** Maurice Aluku Omogo  
**Designation:** Chairman, School Board of Management

**Sign:**   
**Date:** 03/7/24

**Name:** Mathew Mbinda Mutiso  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**   
**Date:** 03/7/24

**Name:** Iddi Mdzambo Dzombo  
**Designation:** Bursar/ Finance Officer

**Sign:**   
**Date:** 03/7/24

# REPUBLIC OF KENYA



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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## REPORT OF THE AUDITOR-GENERAL ON SHIMO LA TEWA SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - MOMBASA COUNTY

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### 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 Shimo La Tewa School – Mombasa County set out on pages 15 to 35, which comprise of the statement of financial

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*Report of the Auditor-General on Shimo La Tewa School for the year ended 30 June, 2022 - Mombasa 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 Shimo La Tewa School – Mombasa 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 the statement of receipts and payments revealed amounts at variance with corresponding balances reflected in the statement of cash flows as analysed below;

	<b>Statement of Receipts and Payments (Kshs)</b>	<b>Statement of Cash Flows (Kshs)</b>	<b>Variance (Kshs)</b>
<b>Receipts</b>			
Capitation Grants - Operations	21,447,547	22,288,883	841,336
School Fund Income - Parent's Contribution	48,321,017	186,109,739	137,788,722
School Fund Income - Other Receipts	82,552,070	0	82,552,070
<b>Payments</b>			
Payments for Tuition	6,438,229	4,810,729	1,627,500
Payments for Operations	26,549,351	24,510,044	2,039,307
Boarding and School Fund Payments	127,529,357	188,109,046	60,579,689

The variances were not explained or reconciled.

Further, the statement of receipts and payments reflects total receipts and total payments of Kshs.157,400,274 and Kshs.160,516,937 while the statements of budgeted versus actual amounts reflects amounts of Kshs.126,328,387 and Kshs.123,295,078 resulting to unexplained variances of Kshs.31,071,887 and Kshs.37,221,859.

In addition, Note 4, Note 6, and Note 7 to the financial statements in respect of school fund income - other receipts, payments for operations, boarding and school fund payments reflects balances of Kshs.82,552,070, Kshs.26,549,351 and Kshs.127,529,357 against recasted amounts of Kshs.82,735,274, Kshs.22,361,517 and Kshs.127,224,422. The resulting variances of Kshs.183,204, Kshs.4,187,834 and Kshs.304,935 were not

explained or supported. Further, the statement of financial assets and financial liabilities reflects cash balances of Kshs.100,265 while the corresponding Note 9 to the financial statements reflects a balance of Kshs.100,959.

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

## **2. Inaccuracies in Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.5,079,640 and Kshs.21,447,547 as disclosed in Note 1 and Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed amounts of Kshs.24,448,730 and Kshs.18,773,561 resulting to an unexplained variance of Kshs.5,675,169. Further, comparison of banks statements and the financial statements reflects amounts of Kshs.18,773,561 and Kshs.26,497,187 resulting to an unexplained variance of Kshs.7,723,626.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operation of Kshs.5,079,640 and Kshs.21,447,547 could not be confirmed.

## **3. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.36,370,471 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.30,204,069 which had been outstanding for more than two (2) years. Further, significant accounting policies on accounts receivables as disclosed in Note 5 is silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.36,370,471 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Shimo La Tewa 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.157,055,500 and Kshs.126,328,387 respectively,

resulting to an under-funding of Kshs.30,727,113 or 20% of the budget. However, the School spent a recasted balance of Kshs.116,395,078 against actual receipts of Kshs.126,328,387 resulting to an under-utilization of Kshs.9,933,309 or 8% of actual receipts.

The under-funding 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 procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

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

- i. The key school information and management report, has omitted details on total number of committee meeting held by the School Board of Management.
- ii. The statement of budget versus actual amount does not contain explanation on significant underutilization (below 90% of utilization) and overutilization above 100%.
- iii. Notes 7, 14, 15,16 and 17 indicate comparative year as 2019-2020 instead of 2020/2021.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

## **2. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 13 July, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

## **3. Inadequate Need Assessment Guiding Distribution of Textbooks**

Audit review established that in the financial years 2020/2021 and 2021/2022, there was no evidence in the School of instructional need assessment that provided basis for determining the number and subject of instructional material needed by the School. Further, there was no evidence that the School Instructional Materials Selection Committee (SIMSC) was set up and SIMSC Minute Book Minutes highlighting the needs. As a result, the opening balances of stock inventory of textbooks in the School from the inception of the orange book, when schools were given textbook capitation, in terms of numbers and their monetary value could not be ascertained.

In the circumstances, the School risks loss of textbooks issued as capitation through obsolete stock.

## **4. Excess Supply of Books**

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed four thousand and eight (4,008) books to the School while only three thousand four hundred and twelve (3,412) books were issued to the students, resulting to an unexplained excess textbooks of five hundred and ninety-six (596) in the School store.

In the circumstances, value for money on the excess five hundred and ninety-six (596) textbooks could not be confirmed.

## **5. Failure to Maintain a Separate Bank Account for Other Receipts**

The statement of receipts and payments and Note 4 to the financial statements reflects school fund income - other receipts amounting to Kshs.82,552,070. However, discussion with Management and verification of documents provided revealed that the monies from other income is banked in the School main account as opposed to having a separate bank account for the stream of income as required by the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021.

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

## **6. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments of Kshs.127,529,357 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.400,000 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.400,000 could not be confirmed.

## **7. Failure to Transfer Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.21,447,547 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.7,475,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no amount was transferred to infrastructure account. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

## **8. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition, operations and infrastructure totalling Kshs.26,527,187. 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 thousand six hundred and fifty-eight (1,658) students while records from the County Director of Education had one thousand seven hundred and forty-nine (1,749) students, resulting to an underfunding of the School by an amount of Kshs.2,024,204. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners to be registered in NEMIS and the Principals to ensure their records are accurate.

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

## **9. Long Outstanding Accounts Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.36,881,368. However, included in the balance are trade payables balance of Kshs.9,208,618 which had been outstanding for more than two (2) years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Maintain an Assets Register**

Annex 2 to the financial statements reflects a summary of fixed assets of unknown values. Further, the School did not maintain an updated and complete asset register with each category of asset showing key assets information such as tag number, serial number, depreciation, net book value, asset condition, size of land, L.R/No, and certificate number. In addition, Appendix 6, of the National Treasury guidelines on asset and liability management in the public sector dated March, 2020 contains the format for a standard asset register. The format dictates that each category of asset should be signed/authorized.

In the circumstances, the safe custody of the School's assets could not be confirmed.

#### **2. Encroachment and Lack of Land Ownership Documents**

Review of records provided revealed that the School occupies approximately 121 acres' piece of land which was registered as land Number MN/1/1516. Physical verification

carried out on the land on 11 June, 2024 revealed that the School land is not defined with an exterior perimeter wall. Further, part of the land had been encroached where the constructions and buildings (Mosque) near the main entrance gate and adjacent to the main road are erected on the school land. The buildings however, seems abandoned and not in use at that moment. In addition, a portion of the land at the far end corner touching both the main road (Serena Road) and unnamed Road was hived off from the original school land and a telecommunication booster erected therein.

It was also noted that, the School donated land to Mama Ngina Girls High School, approximately 30 acres. The transfer of ownership is in the process and yet to be completed. Further verification of the land title indicated that the land is a lease hold for 99 years effective from 1<sup>st</sup> January, 1959 and is registered under a local bank and the trustees, and therefore not in the name of the School.

In the circumstances, the ownership and safe custody of the School's land could not be confirmed.

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

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

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to 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**

**16 September, 2024**

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*Report of the Auditor-General on Shimo La Tewa School for the year ended 30 June, 2022 - Mombasa County*

**SHIMO LA TEWA SCHOOL  
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**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

DESCRIPTION OF VOUCHERS	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	5,079,640.00	1,494,844.00
Capitation grants for operations	2	21,447,547.00	9,371,255.00
School Fund Income- Parents' Contributions	3	48,321,017.00	9,615,012.00
School Fund Income- Other receipts	4	82,552,070.45.00	14,513,463.00
<b>TOTAL RECEIPTS</b>		<b>157,400,274.00</b>	<b>34,994,573.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	6,438,229.00	255,700.00
Payments for operations	6	26,549,351.00	14,223,299.00
Boarding and school fund payments	7	127,529,357.00	30,550,162.00
<b>TOTAL PAYMENTS</b>		<b>160,516,937.00</b>	<b>45,029,161.00</b>
<b>SURPLUS/DEFICIT</b>		<b>(3,116,663.00)</b>	<b>(10,034,588.00)</b>

The school financial statements were approved on 03/7/ 2024 and signed by:

Sign: 

Name MAURICE ALUKU OMOGO

Chair BOM

Date 03/7/2024

Sign 

Name MATHEW MUTISO

School Principal/  
Secretary to BOM

Date 03/7/2024

Sign 

Name IDDI DZOMBO

Bursar/  
Finance Officer

Date 03/7/2024

SHIMO LA TEWA SCHOOL  
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT  
 30<sup>th</sup> JUNE 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	8,516,700.00	5,838,163.00
Cash Balances	9	100,265.00	183,552.00
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b>8,617,659.00</b>	<b>6,021,715.00</b>
Account's receivables	11	36,370,471.00	34,821,013.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>44,988,130.00</b>	<b>40,842,728.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	36,881,368.00	(29,619,303.00)
<b>NET FINANCIAL ASSETS</b>		<b>8,106,762.00</b>	<b>11,223,424.00</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	11,223,424.00	21,258,013.00
Surplus/Deficit for the year		(3,116,663.00)	(10,035,588.00)
<b>NET FINANCIAL POSSITION</b>		<b>8,106,762.00</b>	<b>11,223,424.00</b>

The School's financial statements were approved on 03/7/ 2024 and signed by:

Name: Maurice Aluku  
 Chairman, BoM

Sign: 

Date: 03/7/24

Name: Mathew Mutiso  
 School Principal/Secretary  
 to BoM

Sign: 

Date: 03/7/24

Name: Iddi Dzombo  
 Bursar/Finance

Sign: 

Date: 03/7/24

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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

	2021-2022	2020-2021
	Kshs	Kshs
<b>Cash from operating activities</b>		
Capitation grants for tuition	5,079,640.00	2,353,564.00
Capitation grants for operations	22,288,883.00	5,446,393.00
School fund income- Parents contributions/ fees	186,109,739.00	50,887,045.00
Other income	-	00
<b>Total receipts</b>	<b>213,478,262.00</b>	<b>58,687,001.00</b>
<b>Payments</b>		
Payments for Tuition	4,810,729.00	1,994,500.00
Payments for operations	24,510,044.00	9,541,649.00
Boarding and school fund payments	188,109,046.00	44,343,229.00
<b>Total payments</b>	<b>217,429,818.00</b>	<b>55,879,378.00</b>
<b>Net cash flow from operating activities</b>	<b>(3,951,556.00)</b>	<b>2,807,623.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
<b>Receipts from investing activities</b>		
Maintenance & improvement funds	6,547,500.00	5,187,547.00
Proceeds from sale of assets	-	-
<b>Total Receipts</b>	<b>6,547,500.00</b>	<b>5,187,547.00</b>
<b>Payments from investing activities</b>		
Acquisition of Assets		6,820,335.00
<b>Total payments</b>		<b>6,820,335.00</b>
Net cash flow from investing activities		<b>(1,632,788.00)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
<b>Receipts from financing activities</b>	-	-
<b>Proceeds from borrowings/loans</b>	-	-
<b>Total Payments</b>	--	-
<b>Net cash flows from investing activities</b>	<b>6,547,500.00</b>	-
<b>Net increase in cash and cash equivalents</b>	<b>2,595,944.00</b>	<b>1,174,835.00</b>
Cash and cash equivalent at the beginning of the year	6,021,715.00	4,846,880.00
<b>Cash and cash equivalent at END of the year</b>	<b>8,617,659.00</b>	<b>6,021,715.00</b>

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> 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
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Tuition	7,252,000.00		7,252,000.00	5,011,839.00	2,240,161.00	69.11%
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Repairs and maintenance	8,750,000.00		8,750,000.00	6,547,500.00	2,202,500.00	74.83%
Other Voteheads	22,925,000.00		22,925,000.00	14,900,047.00	8,024,953.00	64.99%
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	16,499,000.00		16,499,000.00	14,067,093.00	2,431,907.00	85.26%
Repairs and maintenance	5,250,000.00		5,250,000.00	4,952,908.00	297,092.00	94.34%
Local transport / travelling	4,487,000.00		4,487,000.00	3,940,892.00	546,108.00	87.83%
Electricity and water	17,407,250.00		17,407,250.00	14,915,747.00	2,491,503.00	85.69%
Administration costs	6,935,250.00		6,935,250.00	6,245,971.00	689,279.00	90.10%
Activity	2,094,750.00		2,094,750.00	1,791,922.00	302,828.00	85.54%
<b>OTHER INCOME</b>						
Fee on boarding equipments and stores	65,455,250.00		65,455,250.00	53,954,468.00	11,500,782.00	82.43%
<b>TOTAL INCOME</b>	<b>157,055,500.00</b>		<b>157,055,500.00</b>	<b>126,328,387.00</b>	<b>30,727,113.00</b>	<b>80.44%</b>

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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
			<b>157,055,500.00</b>	<b>126,328,387.00</b>		
<b>(1) EXPENDITURE FOR TUITION</b>						
Teaching / learning materials	7,252,000.00		7,252,000.00	4,808,590.00	2,443,410.00	66.31%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Other Voteheads	22,925,000.00		22,925,000.00	21,916,558.00	1,008,442.00	95.60%
Repairs, maintenance & improvements	8,750,000.00		8,750,000.00	7,427,500.00	1,322,500.00	84.89%
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	16,499,000.00		16,499,000.00	7,300,855.00	9,198,145.00	44.25%
R.M.I	5,250,000.00		5,250,000.00	5,109,590.00	140,410	97.32%
Local transport / travelling	4,487,000.00		4,487,000.00	4,120,174.00	366,826.00	91.82%
E.W.C.	17,407,250.00		17,407,250.00	6,230,638.00	11,176,612.00	35.79%
Medical Expenses						
Administration costs	6,935,250.00		6,935,250.00	7,400,308.00	(465,058.00)	106.71%
Activity	2,094,750.00		2,094,750.00	321,000.00	1,773,750.00	15.32%
Fees on Boarding Equipment and Stores	65,455,250.00		65,455,250.00	51,759,865.00	13,659,385.00	79.07%
<b>TOTALS</b>	<b>157,055,500.00</b>		<b>157,055,500.00</b>	<b>123,295,078.00</b>	<b>33,760,422.00</b>	<b>78.50%</b>

## 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**

- 5. Accounts Receivable**  
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
- 6. Accounts Payable**  
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
- 7. Non-current assets**  
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
- 8. Budget**  
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.
- 9. Comparative figures**  
Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.
- 10. Subsequent events**  
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022-.

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	-	-
Tuition	5,079,640.00	1,494,844.00
<b>Total</b>	<b>5,079,640.90</b>	<b>1,494,844.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	2021-2022	2020-2021
	Kshs	Kshs
Other Voteheads	14,900,047.00	4,183,708.00
Repairs and maintenance	6,547,500.00	5,187,547.00
<b>Total</b>	<b>21,447,547.00</b>	<b>9,371,255.00</b>

**3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT**

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	15,332,576.00	3,032,145.00
Repairs and maintenance	5,359,324.00	1,351,761.00
Local transport / travelling	4,405,577.00	792,151.00
Electricity and water	16,333,246.00	2,936,067.00
Administration costs	6,890,294.00	1,112,211.00
Activity	-	390,676.00
<b>Total</b>	<b>48,321,017.00</b>	<b>9,615,011.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Fee on Boarding Equipment and Stores	61,093,721.00	12,494,161.00
Rent income	53,000.00	267,714.00
Uniform	15,564,762.00	148,770.00
Miscellaneous	1,024,795.00	80,210.00
Fee for hire of facilities	2,253,000.00	1,522,600.00
Creditors	-	-
Welfare	144,100.00	-
Kudheiha	5,400.00	-
Insurance	33,704.00	
Activity	2,562,792.00	
	<b>82,552,070.00</b>	<b>14,513,463.00</b>

**5 PAYMENTS FOR TUITION**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Stationery	2,940,000.00	-
Exercise books	795,890.00	-
Laboratory equipment	396,150.00	155,520.00
Teaching / learning materials	1,827,500.00	100,000.00
Lab. Chemicals	341,750.00	-
Teaching Aid	134,800.00	-
Bank Charges	2,139.00	180.00
<b>Total</b>	<b>6,438,229.00</b>	<b>255,700.00</b>

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**6 PAYMENTS FOR OPERATIONS**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	12,909,8791.00	5,797,617.00
Service Gratuity	40,000.00	
Administration Cost	2,390,841.00	
Repairs and maintenance & improvements	200,000.00	
Local transport / travelling	80,149.00	
Electricity and water	4,317,188.00	1,031,963.00
Medical	28,500.00	105,732.00
Activity Expenses	2,120,000.00	394,159.00
B.E.S	274,600.00	-
Insurance Cost	-	68,775.00
Bank Charges	360.00	4,738.00
Acquisition of Assets		6,820,335.00
<b>TOTAL</b>	<b>26,549,351.00</b>	<b>14,223,299.00</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	7,694,340.00	2,567,810.00
Service Gratuity	321,000.00	185,910.00
Repairs and maintenance & Improvements	5,821,590.00	1,569,390.00
Local transport / travelling	5,720,174.00	1,777,300.00
Electricity and water	7,643,138.00	4,095,062.00
Medical Expenses	303,712.00	145,422.00
Administration costs	16,814,358.00	3,394,774.00
Uniform	12,109,190.00	
Prize giving	2,158,100.00	498500.00
Miscellaneous	251,250.00	326,205.00
Fee on Boarding Equipment and Stores	56,799,075.00	15,145,419.00
Activity	1,438,500.00	844,370.00
Caution money	417,000.00	
Hire of facilities	531,283.00	
Welfare	169,900.00	-
Salary arrears	486,000.00	
Kudheiha	270,500.00	
S.E.S	8,221,904.00	
Insurance	53,408.00	
<b>TOTAL</b>	<b>127,529,357.00</b>	<b>30,550,162.00</b>

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**8 BANK ACCOUNTS**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition NBK A/C 01025007525000	653,957.00	385,046.00
Operations NBK A/C 01025007525001	(124,916.00)	906,244.00
School Fund NBK A/C 01021007525000	(183,266.00)	1,765,222.00
School fund – Equity A/C 1190260661473	882,433.00	2,291,746.00
PTA Savings a/c 01242007736100	49,900.00	138,772.00
Exam savings a/c 01242007699800	84,431.00	71,601.00
Infrastructural A/c 1190260221510	7,038,256.00	215,598.00
Caution savings a/c 01242007744100	12,342.00	12,702.00
PTA Current a/c 01025091806600	72,637.00	20,307.00
ESP Infrastructure a/c	30,924.00	30,924.00
<b>TOTAL</b>	<b>8,516,700.00</b>	<b>5,838,163.00</b>

**9 CASH IN HAND**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition Account	-	-
Operation Account	-	-
School Fund account	100,959.00	183,552.00
<b>Total</b>	<b>100,959.00</b>	<b>183,552.00</b>

**10 SHORT TERM INVESTMENTS**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Total</b>	<b>--</b>	<b>-</b>

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**11 ACCOUNTS RECEIVABLE**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears	36,028,971.00	34,699,678.00
Rent debtors	0	121,334.00
Salary advances	341,500.00	-
<b>Total</b>	<b>36,370,471.00</b>	<b>34,821,013.00</b>

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears for current year	3,551,152.00	2,495,609.00
Fees arrears for the previous year	2,273,750.00	1,242,835.00
Fees arrears for prior periods (over two years)	30,204,069.00	30,961,234.00
<b>Total</b>	<b>36,028,971.00</b>	<b>34,699,678.00</b>

**12 ACCOUNTS PAYABLE**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors (See ageing below and appendix 1)	23,911,364.00	19,498,550.00
Prepaid fees	10,791,345.00	8,057,377.00
Retention fees	118,420.00	118,419.00
Caution	2,060,239.00	1,944,956.00
<b>Total</b>	<b>36,881,368.00</b>	<b>29,619,303.00</b>

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors for current year	13,075,245.00	7,515,410.00
Trade creditors for the previous year	1,627,500.00	2,774,521.00
Trade creditors for prior periods (over two years)	9,208,619.00	9,208,619.00
<b>Total</b>	<b>23,911,364.00</b>	<b>19,498,550.00</b>

NOTES TO THE FINANCIAL STATEMENTS

13 FUND BALANCE BROUGHT FORWARD

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	8,516,700.00	5,838,163.00
Cash balances	100,959.00	183,552.00
Receivables	36,370,471.00	34,821,013.00
Payables	(36,881,368.00)	(29,619,303.00)
<b>Total</b>	<b>8,106,762.00</b>	<b>11,223,424.00</b>

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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	2020-2021	2019-2020
	Kshs	Kshs
Total	-	-

**15 Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Total		-	-

**16 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
Balance at end of the year	-	-

**Other important disclosure notes**

**17 Stock/ Inventory**

Description	2020-2021	2019-2020
	KShs	KShs
Balance at end of the year	-	-

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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.

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

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 30 <sup>th</sup> June 2022	Outstanding Balance 31 <sup>st</sup> June 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
Sheiko Building Engineering					368,869.00	
Agni Enterprises					8,839,749.00	
<b>Sub-Total</b>						
<b>Supply of goods</b>						
Venty General Supplies					573,700.00	
Tier Holdings					571,000.00	
Nairobi Sports House					482,800.00	
Mamuka Traders	1,365,000.00	1/07/2021	800,000.00	565,000.00		
Fremer Ltd	1,406,730.00	1/07/2021	774,730.00	632,000.00		
Grandlab Digital Fixers	2,879,540.00	1/07/2021	1,467,040.00	1,412,500.00		
Shimo Links Traders	378,000.00	1/07/2021	0.00	378,000.00		
Kyemuka Investments	1,800,000.00	1/07/2021	948,000.00	852,000.00		
Suncity Butchery	1,658,620.00	1/07/2021	803,295.00	855,325.00		
Lydmo Enterprises	3,023,567.00	1/07/2021	1,898,497.00	1,125,070.00		
Linux Digital Options	1,284,750.00	1/07/2021	504,500.00	780,250.00		
Kaayaim Stationers	760,000.00	1/07/2021	382,500.00	377,500.00		
Asal Printers & Stationers	2,730,000.00	1/07/2021	1,480,000.00	1,250,000.00		
Gentrade Supplies Ltd	412,000.00	1/07/2021	0.00	412,000.00		
Sydainamsi Enterprises	2,210,000.00	1/07/2021	1,015,720.00	1,194,280.00		
Venice Impala Enterprises	1,358,800.00	1/07/2021	815,280.00	543,520.00		
Nakuru Rubberstamps	321,000.00	1/07/2021	0.00	321,000.00		
Rasu Transport Logistics Ltd	5,276,800.00	1/07/2021	2,900,000.00	2,376,800.00		
<b>Grand Total</b>				<b>13,075,245.00</b>	<b>10,836,119.00</b>	

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

<b>Asset class</b>	<b>Date purchased</b>	<b>Quantity</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 20222</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Land 1		103 Acres	New Mombasa/ Malindi road				
<b>Buildings and structures</b>							
Classrooms		35					
CBC classrooms		4					
Dormitories		18					
Laboratories		9					
Library		1	New Mombasa/ Malindi RD				
Administration Block		1					
Dining Hall		1					
Teachers Quarters		33					
Mosque		1					
School Canteen		1					
Toilets		110					
<b>Motor vehicles</b>							
School bus	2004	1		1,300,000.00	nil	nil	1,300,000.00
<b>Office equipment, furniture and fittings</b>							
Copy printers		2	Reception Office and		1		
Dispensers		2	Reception Office				
Office tables		50			20		

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<b>Asset class</b>	<b>Date purchased</b>	<b>Quantity</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Office chairs		140	Office		40		
Library tables		18	Library				
Library chairs		60	Library				
Printers		7	Office				
Chairs – Students		1750	Classes				
Lockers- Students		1750	Classes				
					63		
					41		
<b>ICT Equipment, and Other ICT Assets</b>							
Desktops		36	Office/computer lab				
Projector		1	ICT Lab				
<b>Tools and apparatus</b>							
Stools		200	Labs				
Benches		30	Labs				
Gas taps		150	Labs				
Tripod stands		50	Labs				
Bunsen burners		50	Labs				
Portable burners		50	Labs				
Gas cylinders		6	Labs				
Fire extinguishers		40	Labs				
Electronic balance		4	Labs				
Beam balance		4	Labs				
Microscopes		40	Labs				

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<b>Asset class</b>	<b>Date purchased</b>	<b>Quantity</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Retort stands		140	Labs				
Soft Boards		100	Labs				
Meter Bridge		4	Labs				
Water Tanks		11	School compound				
Rheostats		80	Labs				
Atomic models		2	Labs				
Beakers		800	Labs				
Beehives		4	Labs				
Boiling tubes		250	Labs				
Cylinders		410	Labs				
Crucibles		30	Labs				
Deflagrating spoons		6	Labs				
Flasks		142	Labs				
Flasks Volumetrics		155	Labs				
Funnels		155	Labs				
First Aid kits		10	Labs				
Spatula		400	Labs				
Stopwatch		130	Labs				
Text tube holders		200	Labs				
Thermometers		142	Labs				
Text Tube racks		140	Labs				
Watch glass		200	Labs				
Weighing bottles		600	Labs				
Ammeters		366	Labs				

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<b>Asset class</b>	<b>Date purchased</b>	<b>Quantity</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Cell holders		100	Labs				
Electrodes (copper /zinc)		20	Labs				
Galvanometers		90	Labs				
Jockeys		66	Labs				
Micrometre screw gauge		70	Labs				
Pendulum bobs		180	Labs				
Potentiometer		60	Labs				
Standard Resistances		40	Labs				
Trolley		3	Labs				
Voltmeters		90	Labs				
Capacitors		50	Labs				
Convex lens		281	Labs				
Concave mirrors		35	Labs				
Diode component D		50	Labs				
Masses with hooks		260	Labs				
Blade holders		10	Labs				
Cover slips		50	Labs				
Dissecting dishes		4	Labs				
Droppers		500	Labs				
Forceps		100	Labs				
Hand lenses		70	Labs				
Microscope mirrors		40	Labs				
Objectives		105	Labs				
Retri Dishes		100	Labs				
Syringes		40	Labs				

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<b>Asset class</b>	<b>Date purchased</b>	<b>Quantity</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Millimetres		200	Labs				
White tiles		150					
<b>Textbooks</b>							
Biology		2828			874	-	
Physics		2081		-	874	-	
Chemistry		2456		-	750	-	
Maths		2974		-	364	-	
English		2783		-	458	-	
Kiswahili		2806		-	654	-	
Geography		2108		-	556	-	
History		2383	Library/Students	-	235	-	
IRE		1378		-	309	-	
CRE		1837		-	550	-	
Agriculture		1476		-	334	-	
Business studies		1387		-	650	-	
Germany		459		-	-	-	
French		423		-	-	-	
Woodwork		213		-	-	-	
Computer		1862		-	-	-	
Drawing and Design		85		-	-	-	
Arabic		264		-	-	-	
<b>Other Machinery and Equipment</b>							

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<b>Asset class</b>	<b>Date purchased</b>	<b>Quantity</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Gas cookers		2	Kitchen	-	-	-	-
Microwave		1	Office	-	-	-	-
Fridge		1	Office	-	-	-	-
Freezer	2022	1	Kitchen	-	-	-	-
Weighing machine	2018	1	Store	-	-	-	-
Lawn Mower	2020	2	Store	-	-	-	-
Welding machine	2016	1	Store	-	-	-	-
<b>Heritage and cultural assets</b>							
Public Address system	2020	1	Store	-	-	-	-
School band equipment	2020	12	Store	-	-	-	-
<b>Intangible assets- soft ware</b>							
Zeraki		1	Deans of office	-	-	-	-
Wi-Fi		1	Office	-	-	-	-
<b>Total</b>							

