

REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 20 FEB 2025 DAY: Thursday

TABLED BY: Hon. Maami Waigo Deputy Majority Whip

CLERK AT THE TABLE: Joyce Mwale

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**COULSON SECONDARY SCHOOL**

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

**NAKURU COUNTY**

*Revised 30<sup>th</sup> June 2021.*



---

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2021**

---

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

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

---

Table of Contents	Page
I KEY SCHOOL INFORMATION AND MANAGEMENT . . . . .	2
II SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL . . . . .	6
III STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY.. . . .	15
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF COULSON SECONDARY SCHOOL OF THE YEAR ENDING 30 <sup>TH</sup> JUNE 2021 16	
V STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 <sup>TH</sup> JUNE 2021 . . . . .	18
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 <sup>TH</sup> JUNE 2021 . . . . .	20
VI. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2021 . . . . .	22
VII. SIGNIFICANT ACCOUNTING POLICIES . . . . .	25
VIII NOTES TO THE FINANCIAL STATEMENTS . . . . .	27
PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS . . . . .	33
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE . . . . .	35
ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER... . . . .	36

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
 Annual Report and Financial Statements  
 For the year ended 30<sup>th</sup> June 2021

**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

**(a) Background information**

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nakuru County, Gilgil East Sub-County

The school was registered in 16/03/2021 under registration number 32530000248 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day school and had 150 numbers of students as at 30<sup>th</sup> June 2021. It has 1 stream and 10 teachers of which 3 teachers are employed by the School Board of Management.

**(b) School Board of Management - Board Members**

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Bishop Patrick Kiiru	Chairman	14/05/2019
2	Mr. Peter Ng'ang'a	Secretary - Principal	14/05/2019
3	Madam Celine M. Salaash	Member	14/05/2019
4	Mr. John M. Kiruri	Member	14/05/2019
5	Eng. Edgar Sirma	Member	14/05/2019
6	Mr. Joseph Mbugua	Member	14/05/2019
7	Mr. Charles Karanja	Member	14/05/2019
8	Mr. Fred Obegi	Member - Rep Teacher	14/05/2019
9	Mr. Peter N. Kaigai	Member	14/05/2019
10	Madam Alice Muthoni	Member	14/05/2019
11	Pastor Samson Simwa	Members	14/05/2019
12	Mr. Collins Mumbura	Members	14/05/2019

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The functions 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 during the year
1	Executive Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Madam Celina M Salaash Pastor Samson Simwa		4 out of 6
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Madam Celina M Salaash		4 out of 6
4	Academic Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Madam Celine M. Salaash Eng. Edgar Sirma Mr. Joseph Mbugua		4 out of 6
5	Development Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Madam Celine M. Salaash Mr. John M. Kiruri Eng. Edgar Sirma		4 out of 6
6	Discipline and welfare Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Madam Alice Muthoni Pastor Samson Simwa Mr. Collins Mumbura		4 out of 6

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

---

**(d) School operation Management**

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

<b>Ref:</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number</b>
1	Principal	Mr. Peter Ng'ang'a	375620
2	Deputy Principal	Mr. Duncan M. Waithaka	240584
3	School Bursar	Ms. Eunice Waithera Kamau	

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

---

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 29 – 20116 Gilgil  
Telephone: 0722689279  
E-mail: coulsonss@gmail.com  
Website:  
Facebook:  
Twitter:

**(f) School Bankers**

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

1. Name of Bank: Kenya Commercial Bank  
Branch: Gilgil  
Account Number: 1139705091- SCHOOL FUND
2. Name of Bank: Kenya Commercial Bank  
Branch: Gilgil  
Account Number: 1139704575- TUITION
3. Name of Bank: Kenya Commercial Bank  
Branch: Gilgil  
Account Number: 1139704303- OPERATION
4. Name of Bank: Kenya Commercial Bank  
Branch: Gilgil  
Account Number: 1279957190- INFRASTRUCTURE

**(g) Independent Auditors**

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

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

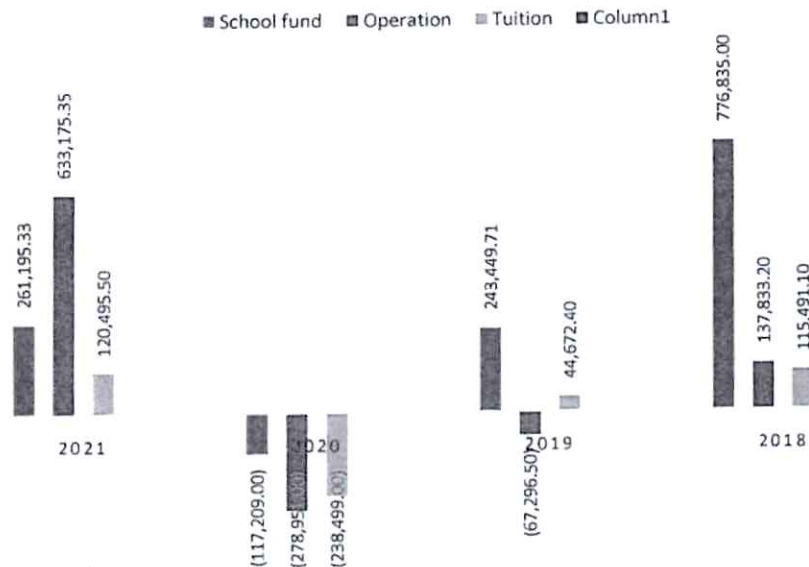
**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

a) **Financial performance:**

<b>SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS</b>					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	261,195.33	(117,209.00)	423,449.71	776,835.00
2	Operations Account	633,175.35	(278,951.00)	(67,296.50)	137,833.20
3	Tuition Account	120,495.50	(238,449.00)	44,672.40	115,491.10
4	Infrastructure Account	-			
	<b>TOTAL</b>	<b>1,014,866.18</b>	<b>(634,609.00)</b>	<b>400,825.61</b>	<b>1,030,159.30</b>
	<b>Increase/Decrease</b>	<b>1,649,475.18</b>	<b>(1,035,434.61)</b>	<b>(629,333.69)</b>	

**GRAPH PRESENTATION FOR SURPLUS/DEFICIT FOR THE LAST THREE YEARS**

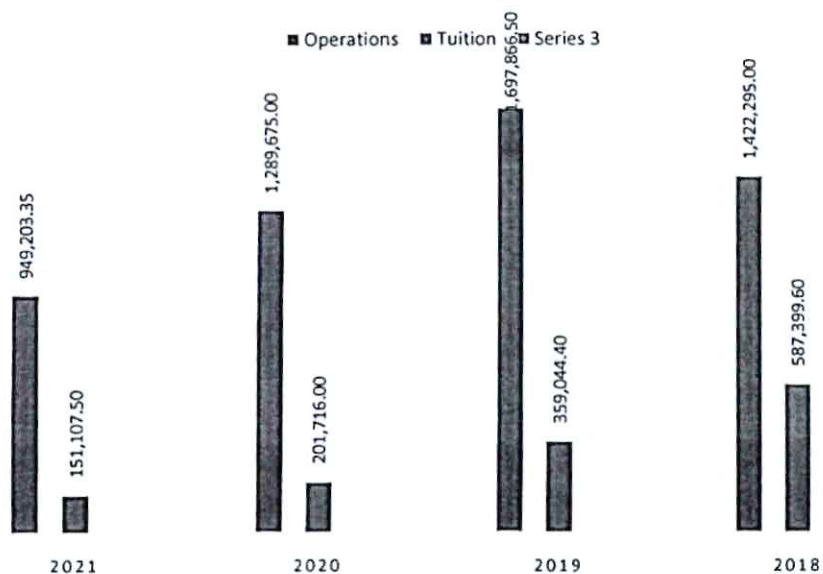


From the year 2021 there is an increase in surplus of Kshs 1,649,475.18 even though year 2021 covers a period of 6 months while comparative period year 2020 covers a period of 12 months. In the year 2020 there was a decrease in surplus of Kshs 1,035,434.61 which resulted from early closure of the school due to Covid 19 where students stayed home and parents were not paying the fees and lesser FDSE disbursement.

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	949,203.35	1,289,675.00	1,697,866.50	1,422,295.00
2	Tuition Account	151,107.50	201,716.00	359,044.40	587,399.60
	<b>Total</b>	<b>1,100,310.85</b>	<b>1,491,391.00</b>	<b>2,056,910.90</b>	<b>2,009,694.60</b>
	<b>Increase/Decrease</b>	<b>(391,080.15)</b>	<b>(565,519.90)</b>	<b>47,216.30</b>	<b>-</b>
	No of Students				
	Ratio of Capitation per student				

**GRAPH PRESENTATION FOR GRANT FROM MINISTRY OF EDUCATION FOR THE  
LAST THREE YEARS**



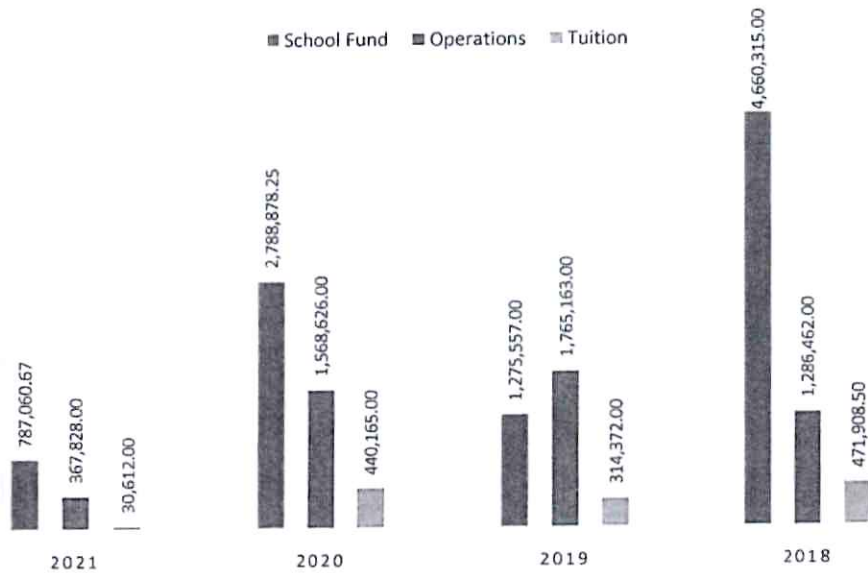
*From the year 2021 there was a decrease of grant of Kshs. 391,050.15 even though the period covers 6 months while comparative period 2020 covers 12 months.*

*In the year 2020 there was a decrease in grant of Kshs. 565,519.90 which resulted from early closure of the school due to Covid 19.*

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	787,060.67	2,788,878.25	1,275,557.00	4,660,315.00
2	Operations Account	367,828.00	1,568,626.00	1,765,163.00	1,286,462.00
3	Tuition Account	30,612.00	440,165.00	314,372.00	471,908.50
4	Infrastructure Account	-			
	<b>Total</b>	<b>1,185,500.67</b>	<b>4,797,669.25</b>	<b>3,355,092.00</b>	<b>6,418,685.50</b>
	<b>Increase/Decrease</b>	<b>(3,612,168.58)</b>	<b>1,442,577.25</b>	<b>(3,063,593.50)</b>	<b>-</b>

**GRAPH PRESENTATION FOR THE GROWTH IN EXPENDITURE FOR THE LAST THREE YEARS**



*From the year 2021 there was a decrease in expenditure of Kshs. 3,612,168.58 even though the period covers 6 months while comparative period 2020 covers 12 months.*

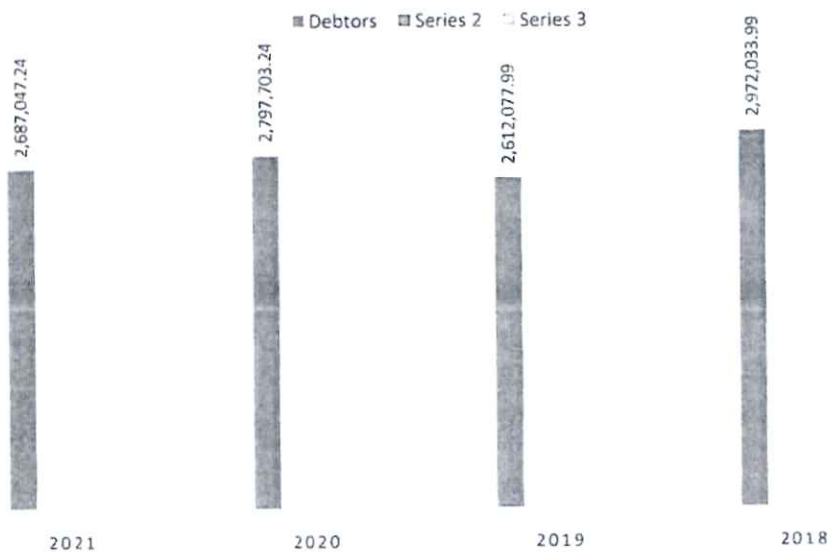
*In the year 2020 there was an increase in expenditure of Kshs. 1,442,577.25.*

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**MOVEMENT OF DEBTORS OF THE SCHOOL**

SNO	ACCOUNTS	2021	2020	2019	2018
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
a	Debtors	2,687,047.24	2,792,703.24	2,612,077.99	2,972,033.99
	<b>Total</b>	2,687,047.24	2,792,703.24	2,612,077.99	2,972,033.99
	<b>Increase/Decrease</b>	<b>(105,656.00)</b>	<b>180,625.25</b>	<b>(359,956.00)</b>	<b>-</b>

**GRAPH PRESENTATION FOR THE MOVEMENT OF DEBTORS OF THE SCHOOL**



*From the year 2021 there is a decrease in debtors of Kshs 105,656.00 even though year 2021 covers a period of 6 months while comparative period year 2020 covers a period of 12 months.*

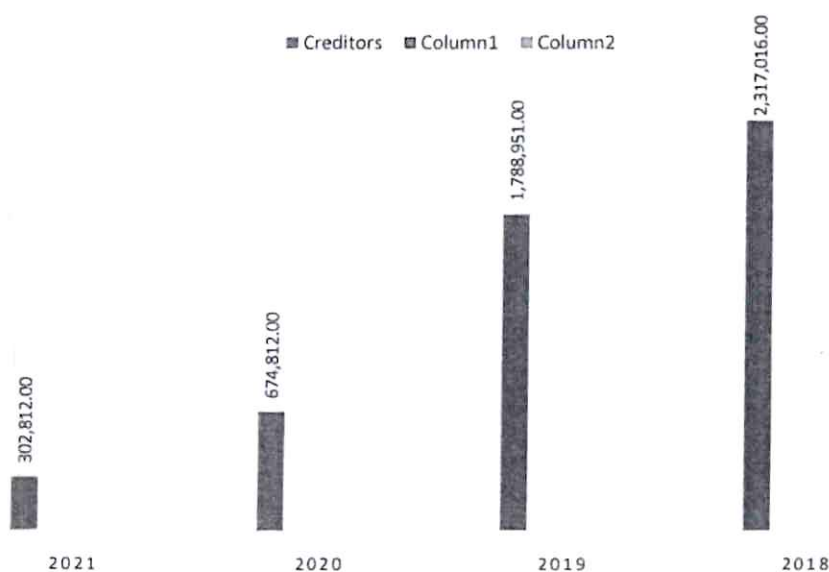
*In the year 2020 there was an increase in debtors of Kshs 180,625.25 which resulted from early closure of the school due to Covid 19 where students stayed home.*

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**MOVEMENT OF CREDITORS OF THE SCHOOL**

SNO	ACCOUNTS	2021	2020	2019	2018
1	Description	KSHS	KSHS	KSHS	KSHS
a	Creditors	302,359.00	674,812.00	1,788,951.00	2,317,016.00
	<b>Total</b>	<b>302,812.00</b>	<b>674,812.00</b>	<b>1,788,951.00</b>	<b>2,317,016.00</b>
	Increase/Decrease	(372,453)	(1,114,139.00)	(528,065.00)	-

**GRAPH PRESENTATION FOR THE MOVEMENT OF CREDITORS**



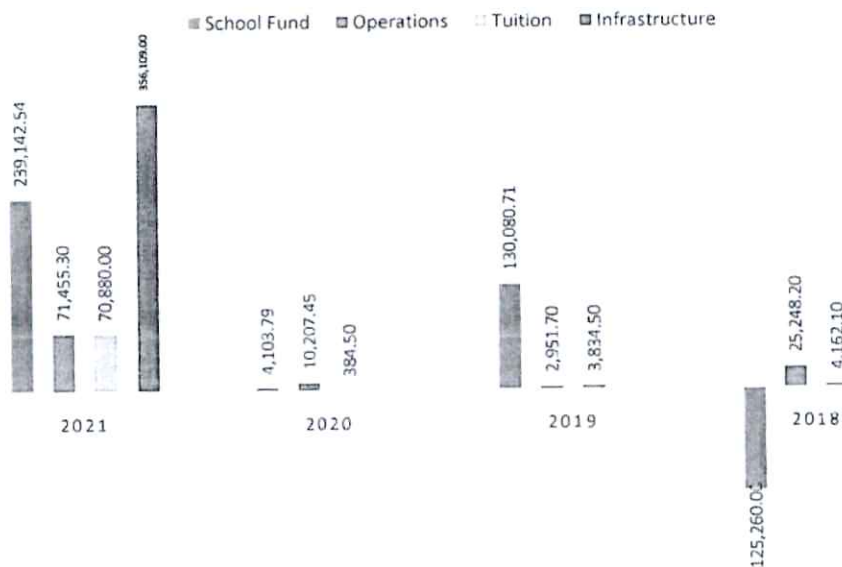
*From the year 2021 there is a decrease in creditors of Kshs 372,453.00 which resulted from paying goods and services on cash basis 2021 and avoiding further debts.*

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**MOVEMENT OF CASH AND BANK BALANCES**

SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	239,142.54	4,903.79	130,080.71	(125,260.29)
2	Operations Account	71,455.30	(6,198.05)	2,951.70	25,248.20
3	Tuition Account	70,880.00	384.50	3,834.50	4,162.10
4	Infrastructure Account	356,109.00			
	<b>Total</b>	<b>737,586.84</b>	<b>-909.76</b>	<b>136,866.91</b>	<b>-95,849.99</b>
	<b>Increase/Decrease</b>	<b>738,496.60</b>	<b>(137,776.67)</b>	<b>232,716.90</b>	

**GRAPH PRESENTATION FOR CASH AND BANK BALANCES FOR THE LAST THREE YEARS**



From the year 2021 there is an increase in cash and bank balances of Kshs 738,496.60 even though year 2021 covers a period of 6 months while comparative period year 2020 covers a period of 12 months.

In the year 2020 there was a decrease in cash and bank balances of Kshs 137,776.67 which resulted from early closure of the school due to Covid 19 where students stayed home.

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

---

b) **Teacher Student ratio:**

The teacher to student ratio is 33:1. The number of teachers recruited in the year ending 31/6/2021 are (3) three female teachers. The total teaching staff was (29) twenty-nine, which was a total of (12) twelve males and (17) seventeen female. The school has no B.O.M teachers.

The following is a breakdown of the number of teachers per each subject.

S/No	Subject	No. of Teachers
1	ENGLISH	1
2	KIAWAHILI	1
3	MATHEMATICS	2
4	BIOLOGY	2
5	CHEMISTRY	3
6	PHYSICS	2
9	C.R.E	0
10	AGRICULTURE	1
12	HISTORY	1
13	GEOGRAPHY	0
14	BUSINESS STUDIES	0

The subject we are having shortages are as follows: -

S/No	Subject
1	BUSINESS STUDIES
2	C.R.E
3	GEOGRAPHY

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

c) Mean score in the 2021 KCSE:

YEAR	NO OF CANDIDATES	MEAN SCORE	TRANSITION	REMARKS
2018	30	3.78	12	The performance was below the school target of 4.000. The decline was due to low Kcpe entry mark and indiscipline issue due to socio – economic challenges in their home environment.
2019	9	4.22	12	The performance was above the school target mean of 4.000. The poor performance was attributed to:- students and teachers hard work and cooperation
2020	14	3.43	8	The performance was below the school target mean score of 4.0. this could have been attributed to:- the Covid 19 break where some students only appeared during the exams, low Kcpe entry marks and indiscipline issues.

d) Number of Candidates in the 2021 KCSE:

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

YEAR	NUMBER OF CANDIDATES		
	2018	2019	2020
BOYS	30	9	14
GIRLS	0	0	0
TOTAL	30	9	14

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**


e) Capacity of the school:

The school had a total of 155 students composed of 110 boys and 45 girls, the number of classes is (4) four, the ratio of classes and the students in the school 1:34. The school has a shortfall of (4) classes. The school has two (3) laboratories, zero (0) computer laboratory and zero (0) library. The student's toilets comprise of (8) eight boy's toilets and 4(four) girl's toilets.

FACILITY	CAPACITY	ACTUAL NO.OF STUDENTS	STUDENT RATIO	SHORT FALL
CLASSROOMS	4	155	1:34	4
LABORATORIES	3	155	1:44	1
COMPUTER LAB.	0			
LIBRARY	0			
TOILETS				
BOYS	8	110	1:14	5
GIRLSS	4	45	1:11	4

F) Development projects carried out by the school:

Sign   
 School Principal

**PRINCIPAL**  
 COULSON SECONDARY SCHOOL  
 P. O. Box 29-20116, GILGIL  
 Sign: 

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

---


**II 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 COULSON 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 30<sup>th</sup> June, 2021, and of the school's financial position as at that date

  
.....

**Bishop Patrick Kiiru**  
  
Chair,  
Board of Management

Coulson Sec School

Date: 15/4/2022

  
.....

**Peter Ng'ang'a (Mr)**  
  
Secretary,  
Board of Management  
/Principal

Coulson Sec School

Date: 15/4/2022

  
.....

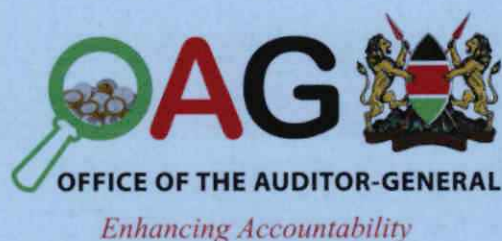
**Eunice Waithera Kamau (Ms)**  
  
Bursar

Coulson Sec School

Date: 15/4/2022



# REPUBLIC OF KENYA



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

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

## **REPORT OF THE AUDITOR-GENERAL ON COULSON SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NAKURU 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 schools are applied for 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 control, 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 Coulson Secondary School set out on pages 17 to 34, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash

flows, statement of budgeted versus actual amounts for the six (6) months' period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Coulson Secondary School as at 30 June, 2021, 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.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy of Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.737,587 as disclosed in Notes 8 and 9 to the financial statements. However, the following discrepancies were noted; -

##### **1.1 Operations Account**

Notes 8 and 9 reflect Kshs.74,808 and negative Kshs.3,353 respectively in respect to operations cashbook bank and cash balance. However, cashbook was incomplete, not updated and closed off for the month of June, 2021 and therefore it was not possible to confirm the cashbook bank and cash balances.

##### **1.2 School Fund Account**

Notes 8 and 9 reflect Kshs.265,358 and negative Kshs.26,216 in respect to school fund account cashbook bank and cash balance respectively. However, the cashbook was incomplete, not updated and closed off for the month of June, 2021 and therefore it was not possible to confirm the cashbook bank and cash balances.

##### **1.3 Infrastructure Account**

Note 8 reflects Kshs.356,109 in respect to infrastructure account cashbook bank balance. However, the cashbook balance was incomplete and was last updated on 23 November, 2020, and therefore it was not possible to confirm the cashbook bank balance as at 30 June, 2021.

In the circumstances, the accuracy, completeness and existence of bank balance of Kshs.737,587 could not be confirmed.

## **2. Failure to Prepare Bank Account Reconciliations**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.737,587 as disclosed in Notes 8 and 9 to the financial statements. Review of records revealed that the School did not prepare the standard bank reconciliation statements for operation, infrastructure, boarding and school fund and tuition accounts. This was contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations,2015 that states that the accounting officer shall ensure bank account reconciliations are completed for each bank account held by the accounting officer. The School did not prepare board of cash survey certificate to confirm the reported cash balances. Further, the School did not provide bank confirmation certificates to enable independent confirmation of bank balances.

In the circumstances the accuracy, completeness and existence of bank balance of Kshs.737,587 could not be confirmed.

## **3. Inaccuracy in the Statement of Budgeted Versus Actual Amounts**

Comparison of the statement of budgeted versus actual amounts and the statement of receipts and payments revealed discrepancies as indicated below;

- i. The statement of budgeted versus actual amounts reflects Kshs.113,331 in respect to capitation grants for tuition actual on a comparable basis. However, the statement of receipts and payments reflects Kshs.151,108, resulting to an unexplained and unreconciled variance of Kshs.37,777; and
- ii. The statement of budgeted versus actual amounts reflects Kshs.1,216,607 in respect to actual capitation grants for operations. However, the statement of receipts and payments reflects Kshs.1,001,003, resulting to an unexplained and unreconciled variance of Kshs.215,604.

In the circumstances, the accuracy and completeness of the statement of budgeted versus actual amounts could not be confirmed.

## **4. Unsupported Fund Balance**

The statement of financial assets and financial liabilities reflects funds balance brought forward of Kshs.2,107,409 as disclosed in Note 13 to the financial statements. However, the fund balance brought forward comprises of negative Kshs.2,280, and negative Kshs.8,203, in respect to bank and cash balances of which the supporting ledgers were not provided for audit review.

In the circumstances, the accuracy and completeness of the fund balance of Kshs.2,107,409 could not be confirmed.

## **5. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.302,359 as disclosed in Note 12 to the financial statements. However, the detailed aging analysis, schedules and documentation supporting the outstanding creditors were not provided for audit review.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.302,359 could not be confirmed.

## **6. Non-Disclosure of Inventory in the Financial Statements**

Other Important Disclosures Notes to the financial statements include stock/inventory, for which no monetary value was provided. This is despite the School having well-documented stock list reports for stationery, foodstuffs and lab consumables.

Non-disclosure of stock balances contradicts Section 81(3) of the Public Finance Management Act, 2012 which states that 'the Accounting Officers for a national government entity should prepare the financial statements in a form that complies with the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time'.

In the circumstances, the accuracy and completeness of stock/inventory could not be confirmed.

## **7. Accounts Receivables**

### **7.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.2,687,047 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivable as disclosed in Note 5 are silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.2,687,047 could not be confirmed.

### **7.2 Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,687,047 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.2,526,704 which had been outstanding for more than two (2) years. However, there

was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.2,526,704 could not be confirmed.

## **8. Incomplete Assets Register**

Annex 2 to the financial statements reflects a summary of fixed assets register. However, the columns on additions and disposals during the year were omitted. Further the summary of fixed assets register includes a six (6)-acre parcel of land and 1,174 assets which did not have corresponding values or amounts in respect to historical costs brought forward, additions, disposals and historical costs balance carried down. Further, the land title for the parcel of land was not provided for audit.

In the circumstances, the ownership and valuation of the assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Coulson Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit 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.6,252,800 and Kshs.2,048,161 respectively, resulting to an under-funding of Kshs.4,204,639 or 67 % of the budget. However, the School spent a balance of Kshs.1,835,689 against actual receipts of Kshs.2,048,161, resulting to an under-utilization of Kshs.212,472 or 10% of the actual receipts.

The under-funding and 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.

## **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 statement of receipts and payments and for the period ending 30 June, 2021 was omitted from the table of content;
- ii. The references of financial statements report in the table of contents is not arranged in a chronological order. Further the references of financial statements report in the body of the report does not correspond with references in the table of contents;
- iii. Progress on follow up of auditor recommendations and annexures are included in the table of content against the requirements of the reporting template as issued by Public Sector Accounting Standards Board;
- iv. Pages 19 and 21 are omitted in the financial statements;
- v. Review of Annex 2 on summary of fixed assets register revealed omission of 2 columns, namely additions and disposals during the period;
- vi. The continuation of the statement of budgeted versus actual amounts on pages 23 and 24 does not have column titles which include receipt/expenses items, original budget, adjustments, final budget, actual on comparable, budget utilization and percentage utilization;
- vii. The financial statements refer to the financial year instead of six (6) months' period ended 30 June, 2021;

- viii. The statement of cash flows reflects Kshs.105,656 and Kshs.372,453 in respect to adjustment of increase in receivables and decrease in payables respectively. However, adjustment of working capital is disallowed under the direct method of cash flows presentation; and
- ix. The amounts and balances reflected in the financial statements and Notes are not rounded off to the nearest shilling.

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

## **2. Lack of Procurement Plan**

The statement of receipts and payments reflects Kshs.2,200,367 and Kshs.1,185,501 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

## **3. Lack of an Approved Budget**

The statement of receipts and payments reflects Kshs.2,200,367 and Kshs.1,185,501 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual budget as part of the annual budget preparation process. This was contrary to Section 68(2)(h) of the Public Finance Management Act, 2012 which states that 'an accounting officer shall prepare estimates of expenditure and revenues of the entity in conformity with the strategic plan'.

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

## **4. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

The statement of receipts and payments reflects payments for operations of Kshs.367,828 and payments for boarding/school fund of Kshs.787,061 respectively as disclosed in Note 6 and 7 to the financial statements. Included in the expenditure is an amount of Kshs.124,000 from operations and Kshs.95,000 from boarding/school fund and infrastructure, totaling Kshs.219,000 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 the Government Finding 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.219,000 could not be confirmed.

#### **5. Unconfirmed Students Enrollment Data**

The statement of receipts and payments reflects capitation grants for tuition and operations of Kshs.151,108 and Kshs.1,001,003 as disclosed in Notes 1 and 2 to the financial statements. Comparison of data from National Education Management and Information System (NEMIS) with class enrolment records provided by the School revealed that during the financial year 2020-2021, NEMIS reflected sixty-six (66), one hundred and seventeen (117), one hundred and sixteen (116) and one hundred and fifteen (115) students in the four academic terms while the enrolment records from the school had seventy-eight (78), one hundred and sixty four (164), two hundred and nine (209) and one hundred and sixty four (164) students in the four academic terms, resulting to an overall variance of 201 students which amounts to Kshs.1,342,881. This was contrary to the Ministry of Education Circular MOE/CONF/G5 dated 26 November, 2019 on implementation of Free Day Secondary Education (FDSE) which require all learners 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.

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

During the year under review, Management submitted the financial statements to the Auditor-General on 17 February 2023 instead of the statutory deadline of 30 September, 2021. 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, 2021 in compliance which 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.

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, and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Internal Audit Function and Audit Committee**

During the financial year, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, 'the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to the National Treasury'.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

#### **2. Lack of Ownership Documents**

Annex 2 to the financial statements reflect a summary of fixed assets register which includes land. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Schools ability 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 Schools financial reporting process, reviewing the effectiveness of how the 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.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


18 December, 2024

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019 - 2020
			Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	151,107.50	
Capitation grants for operations	2	1,001,003.35	
School Fund Income- Parents' Contributions	3	259,019.00	
School Fund Income- Other receipts	4	789,237.00	
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>2,200,366.85</b>	
<b>PAYMENTS</b>			
Payments for Tuition	5	30,612.00	
Payments for operations	6	367,828.00	
Boarding and school fund payments	7	787,060.67	
<b>TOTAL PAYMENTS</b>		<b>1,185,500.67</b>	
<b>SURPLUS/DEFICIT</b>		<b>1,014,866.18</b>	

The school financial statements were approved on 30/6/ 2021 and signed by:

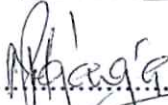
  
.....

Bishop Patrick Kiiru

Chair,  
Board of Management

Coulson Sec School

Date: 15/04/2022


  
.....

Peter Ng'ang'a (Mr)

Secretary,  
Board of Management  
/Principal

Coulson Sec School

Date: 15/04/2022


  
.....

Eunice Waithera Kamau (Ms)

Bursar

Coulson Sec School

Date: 15/04/2022


PRINCIPAL  
COULSON SECONDARY SCHOOL  
P.O. Box 29-20116, GILGIL  
..... Sign: 

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**IV. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	767,155.26	
Cash Balances	9	(29,568.42)	
Short term Investment		-	
<b>Total Cash and Cash Equivalents</b>		<b>737,586.84</b>	
Account's receivables	11	2,687,047.24	
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,424,634.08</b>	
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	302,359.00	
<b>NET FINANCIAL ASSETS</b>		<b>3,122,275.08</b>	
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	2,107,408.90	
Surplus/Deficit for the year		1,014,866.18	
<b>NET FINANCIAL POSITION</b>		<b>3,122,275.08</b>	

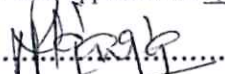
The School's financial statements were approved on 30/6/2021 and signed by:

  
 .....

Bishop Patrick Kiiru

Chair,  
Board of Management

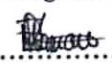
Date: 15/04/2022

  
 .....

Peter Ng'ang'a (Mr)

Secretary,  
Board of Management  
/Principal

Date: 15/04/2022

  
 .....

Eunice Waithera Kamau (Ms)

Bursar

Date: 15/04/2022



**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Capitation grants for tuition	1	151,107.50	
Capitation grants for operations	2	1,001,003.35	
School fund income- Parents contributions/ fees	3	259,019.00	
School fund income- other receipts	4	789,237.00	
Adjustment decrease in receivables		105,656.00	
<b>Total receipts</b>		<b>2,306,022.85</b>	
<b>Payments</b>			
Payments for Tuition		30,612.00	
Payments for operations		367,828.00	
Boarding and school fund payments		787,060.67	
Adjustment decrease in payables		372,453.00	
		<b>1,557,953.67</b>	
<b>Net cash flow from operating activities</b>		<b>748,069.18</b>	
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	
Acquisition of Assets		-	
Proceeds from investments		-	
<b>Net cash flows from Investing Activities</b>		<b>-</b>	
<b>NET CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flows from Investing Activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>748,069.18</b>	
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>(10,482.34)</b>	
<b>Cash and cash equivalent at END of the year</b>		<b>737,586.84</b>	

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

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021

**V. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

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
<b>RECEIPTS</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>(1) CAPITATION GRANT ON TUITION</b>						
Exercise Books	45,760.00	-	45,760.00	-	45,760.00	0.00%
Lab.Equipments	45,760.00	-	45,760.00	37,776.88	7,983.12	82.55%
T/L Materials	45,760.00	-	45,760.00	37,776.88	7,983.12	82.55%
Internal Exam	45,760.00	-	45,760.00	37,776.88	7,983.12	82.55%
Ref/Lib(Textbooks)	45,760.00	-	45,760.00	-	45,760.00	0.00%
SMASSE	24,000.00	-	24,000.00	-	24,000.00	0.00%
<b>SUB-TOTAL</b>	<b>252,800.00</b>	<b>-</b>	<b>252,800.00</b>	<b>113,330.64</b>	<b>139,469.36</b>	<b>44.83%</b>
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Local,Transport & Travelling	394,320.00	-	394,320.00	83,386.46	310,933.54	21.15%
Electricity,Water & Conservancy	1,061,640.00	-	1,061,640.00	191,296.58	870,343.42	18.02%
Repair,Maintenance & Improvement	840,000.00	-	840,000.00	483,364.00	356,636.00	57.54%
Activity (i)	132,000.00	-	132,000.00	4,323.50	127,676.50	3.28%
Medical/Insurance	-	-	-	3,042.22	(3,042.22)	0.00%
Personal Emoluments	671,640.00	-	671,640.00	400,777.73	270,862.27	59.67%
Administration Costs	400,800.00	-	400,800.00	50,416.51	350,383.49	12.58%
<b>SUB-TOTAL</b>	<b>3,500,400.00</b>	<b>-</b>	<b>3,500,400.00</b>	<b>1,216,607.00</b>	<b>2,283,793.00</b>	<b>34.76%</b>

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

<b>(3) FEES CHARGED ON PARENTS</b>						
Boarding, Equipment & Stores	2,499,600.00	-	2,499,600.00	718,223.00	1,781,377.00	28.73%
<b>SUB-TOTAL</b>	<b>2,499,600.00</b>	<b>-</b>	<b>2,499,600.00</b>	<b>718,223.00</b>	<b>1,781,377.00</b>	<b>28.73%</b>
<b>OTHER INCOME</b>						
Income from Generating Activities	-	-	-	-	-	0.00%
<b>SUB-TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>INFRASTRUCTURE ACCOUNT</b>						<b>0.00%</b>
Maintenance & Improvement	-	-	-	-	-	0.00%
<b>SUB-TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>GRANDTOTAL INCOME</b>	<b>6,252,800.00</b>	<b>-</b>	<b>6,252,800.00</b>	<b>2,048,160.64</b>	<b>4,204,639.36</b>	<b>32.76%</b>
<b>EXPENDITURE FOR:</b>						
<b>(1) TUITION</b>						
Exercise Books	45,760.00	-	45,760.00	-	45,760.00	0.00%
Lab. Equipments	45,760.00	-	45,760.00	15,460.00	30,300.00	33.78%
T/L Materials	45,760.00	-	45,760.00	-	45,760.00	0.00%
Internal Exam	45,760.00	-	45,760.00	14,540.00	31,220.00	31.77%
Ref/Lib(Textbooks)	45,760.00	-	45,760.00	-	45,760.00	0.00%
SMASSE	24,000.00	-	24,000.00	-	24,000.00	0.00%
Bank Charges	-	-	-	612.00	(612.00)	0.00%
<b>SUB-TOTAL</b>	<b>252,800.00</b>	<b>-</b>	<b>252,800.00</b>	<b>30,612.00</b>	<b>222,188.00</b>	<b>12.11%</b>
<b>(2) OPERATIONS</b>						

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

Local,Transport & Travelling	394,320.00	-	394,320.00	210,000.00	184,320.00	53.26%
Electricity,Water & Conservancy	1,061,640.00	-	1,061,640.00	235,387.00	826,253.00	22.17%
Repair,Maintenance & Improvement	840,000.00	-	840,000.00	357,900.00	482,100.00	42.61%
Activity (i)	132,000.00	-	132,000.00	-	132,000.00	0.00%
Medical/Insurance	-	-	-	-	-	0.00%
Personal Emoluments	671,640.00	-	671,640.00	437,497.25	234,142.75	65.14%
Administration Costs	400,800.00	-	400,800.00	41,759.00	359,041.00	10.42%
<b>SUB-TOTAL</b>	<b>3,500,400.00</b>	<b>-</b>	<b>3,500,400.00</b>	<b>1,282,543.25</b>	<b>2,217,856.75</b>	<b>36.64%</b>
<b>(3) SCHOOL FUND</b>						
Boarding,Equipment & Stores	2,499,600.00	-	2,499,600.00	522,533.67	1,977,066.33	20.90%
Expenditure from Income Generating Activities	-	-	-	-	-	0.00%
<b>SUB-TOTAL</b>	<b>2,499,600.00</b>	<b>-</b>	<b>2,499,600.00</b>	<b>522,533.67</b>	<b>1,977,066.33</b>	<b>20.90%</b>
<b>INFRASTRUCTURE ACCOUNT</b>						
New Classrooms, Ramp and Renovations	-	-	-	-	-	0.00%
Bank Charges	-	-	-	-	-	0.00%
<b>SUB-TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL EXPENDITURE</b>	<b>6,252,800.00</b>	<b>-</b>	<b>6,252,800.00</b>	<b>1,835,688.92</b>	<b>4,417,111.08</b>	<b>29.36%</b>

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

- i. *The school only received 32.76% of the total expected income within a period of 6 months.*
- ii. *The school only spent 29.36% of the total expenditure within a period of 6 months.*

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

---

**VI. 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.

## COULSON SECONDARY SCHOOL

### PUBLIC SECONDARY SCHOOL

#### Annual Report and Financial Statements

For the year ended 30<sup>th</sup> June 2021

---

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
 Annual Report and Financial Statements  
 For the year ended 30<sup>th</sup> June 2021

**VII. NOTES TO THE FINANCIAL STATEMENTS**

**1. CAPITATION GRANT FOR TUITION**

		2020-2021	2019-2020
		Kshs	Kshs
Textbooks and reference materials		37,776.88	
Exercise books			
Laboratory equipment		37,776.88	
Internal exams		37,776.86	
Teaching / learning materials		37,776.88	
Chalks			
Exams and assessment			
Teachers guides			
<b>Total</b>		<b>151,107.50</b>	

**2. CAPITATION GRANT FOR OPERATIONS**

		2020-2021	2019-2020
		Kshs	Kshs
Personnel emoluments		326,614.30	
Repairs and maintenance		436,750.00	
Local transport / travelling		71,816.46	
Electricity and water		99,745.08	
Medical		-	
Administration costs		14,277.51	
Activity		-	
Direct deposit		51,800.00	
<b>Total</b>		<b>1,001,003.35</b>	

**3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

		2020-2021	2019-2020
		Kshs	Kshs
Personnel emoluments		70,821.00	
Repairs and maintenance		-	
Local transport / travelling		11,570.00	
Electricity and water		91,551.50	
Medical		44,614.00	
Administration costs		36,139.00	
Activity		4,323.50	
<b>Total</b>		<b>259,019.00</b>	

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

Fee on Boarding Equipment and Stores		789,237.00	
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		-	
<b>Total</b>		<b>789,237.00</b>	

**5. PAYMENTS FOR TUITION**

Textbooks and reference materials		-	-
Exercise books		-	
Laboratory equipment		15,460.00	
Internal exams		14,540.00	
Teaching / learning materials		-	
Chalks		-	
Exams and assessment		-	
Teachers guides		-	
Administration Costs		-	
Bank Charges		612.00	
<b>Total</b>		<b>30,612.00</b>	

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**6. PAYMENTS FOR OPERATIONS**

		2020-2021	2019-2020
		Kshs	Kshs
Personnel emoluments		276,400.00	
Administration Cost		11,800.00	
Repairs and maintenance & improvements			
Local transport / travelling		72,000.00	
Electricity and water		-	
Medical		3,050.00	
Activity Expenses		-	
Bank Charges		4,578.00	
<b>TOTAL</b>		<b>367,828.00</b>	

**7. BOARDING AND SCHOOL FUND PAYMENTS**

		2020-2021	2019-2020
		Kshs	Kshs
Personnel emoluments		106,900.00	
Service Gratuity		-	
Repairs and maintenance & Improvements		1,900.00	
Local transport / travelling		138,000.00	
Electricity and water		77,387.00	
Medical Expenses		-	
Administration costs		32,805.00	
Lunch Programme		430,068.67	
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			
<b>TOTAL</b>		<b>787,060.67</b>	

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**8 BANK BALANCE**

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		70,880.00	
Operations Account		74,808.05	
School Fund Account/Boarding		265,358.21	
Savings Account		-	
Parent Association Development Account		-	
Income generating activities Account		-	
Infrastructural Account		356,109.00	
<b>Total</b>		<b>767,155.26</b>	

**9 CASH IN HAND**

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	
Operation Account	(3,352.75)	
School Fund account	(26,215.67)	
<b>Total</b>	<b>(29,568.42)</b>	

**10. SHORT TERM INVESTMENTS**

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills		-
Fixed deposit	-	-
Equity stock	-	-
Other investments		
<b>Total</b>	<b>-</b>	<b>-</b>

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**11 ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	2,687,047.24	2,792,703.24
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
<b>Total</b>	<b>2,687,047.24</b>	<b>2,792,703.24</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	71,014.00	265,998.50
Fees arrears for the previous year	265,998.50	2,526,704.74
Fees arrears for the previous years recovered	(176,670.00)	-
Fees arrears for prior periods (over two years)	2,526,704.74	-
<b>Total</b>	<b>2,687,047.24</b>	<b>2,792,703.24</b>

**12 ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	302,359.00	674,812.00
Prepaid fees	-	-
Retention monies	-	-
<b>Total</b>	<b>302,359.00</b>	<b>674,812.00</b>

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

Description		2020-2021	2019-2020
		Kshs	Kshs
Trade creditors for current year		-	674,812.00
Trade creditors for the previous year		674,812.00	-
Trade creditors for the previous year-PAID		(372,453.00)	
Trade creditors for prior periods (over two years)		-	
<b>Total</b>		<b>302,359.00</b>	<b>674,812.00</b>

**13 FUND BALANCE BROUGHT FORWARD**

Description		2020-2021	2019-2020
		Kshs	Kshs
Bank balances		(2,279.59)	
Cash balances		(8,202.75)	
Short Term Investments			
Receivables		2,792,703.24	
Payables		674,812.00	
<b>Total</b>		<b>2,107,408.90</b>	

**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.

**Non-current Liabilities Summary**

Description		2020-2021	2019-2020
		Kshs	Kshs
Bank loan(s)		-	-
Outstanding Leases		-	-
Hire purchase		-	-
Gratuity and leave provision		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

**COULSON SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	90	-	-
Coffee or tea plantation		-	-
Poultry		-	-
<b>Total</b>		-	-

**Borrowings**

Description		2020-2021	2019-2020
		KShs	KShs
<b>a) Borrowings</b>			
Borrowing at beginning of the year			-
Borrowings during the year			-
Repayments of during the year		-	-
<b>Balance at end of the year</b>		-	-

**1 Stock/ Inventory**

Description		2020-2021	2019-2020
		KShs	KShs
<b>Stock/Inventory</b>			
Stock/ inventory at beginning of the year		-	-
Stock/ inventory purchased during the year		-	-
Stock/ inventory issued during the year		-	-
<b>Balance at end of the year</b>		-	-



**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

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

Sno	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at as 30/06/2021	Commen
		Kshs	Kshs	Kshs	Kshs	
		a	b	c	d=a-c	
<b>a</b>	<b>Construction of Buildings</b>					
1		-		-	-	
	<b>Sub-Total</b>	-		-	-	
<b>b</b>	<b>Supply of goods</b>					
1	Stan Bookshop	232,349 00		50,000.00	182,349.00	
2	Bendat Enterprises	2,650.00		-	2,650.00	
3		-			-	
4		-			-	
5		-			-	
6		-			-	
7		-			-	
	<b>Sub-Total</b>	-	-	-	<b>184,999.00</b>	
<b>c</b>	<b>Supply of Services</b>					
1	NSSF	117,360 00		-	117,360.00	
2		-		-	-	
3		-		-	-	
	<b>Sub-Total</b>	-		-	<b>117,360.00</b>	
	<b>Grand Total</b>	-	-	-	<b>302,359.00</b>	

**COULSON SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

---

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

Sno	Asset class	Date Purchased	Location	Historical Cost b/f	Historical Cost c/f
		Kshs	Kshs	Number	Number
1	Land	Balance B/F	Coulson Sec School	6 Acres	
2	Buildings and Structure	Balance B/F	Coulson Sec School	20	
3	Motor Vehicles	Balance B/F	Coulson Sec School	0	
4	Office Equipment, furniture and fittings	Balance B/F	Coulson Sec School	250	
5	ICT Equipment and Other ICT Assets	Balance B/F	Coulson Sec School	4	
6	Tools and Apparatus/ Chemicals	Balance B/F	Coulson Sec School	500	
7	Textbooks	Balance B/F	Coulson Sec School	400	
8	Other Machinery and Equipment	Balance B/F	Coulson Sec School		
9	Intangible assets-software	Balance B/F	Coulson Sec School		
	<b>Total</b>	Balance B/F	Coulson Sec School		

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