

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 MAR 2025	DAY: Tuesday
TABLED BY:	Deputy chief whip Hon. Naomi Jillo
CLERK-AT THE-TABLE:	Benson Inzofu

**THE AUDITOR-GENERAL**

**ON**

**KYOME BOYS SECONDARY SCHOOL**

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

**KITUI COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

14 AUG 2024

RECEIVED

COUNTY SCHOOLS AUDITOR  
RECEIVED  
11/11/2022  
P.O. Box 35  
KITUI



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***KYOME BOYS SECONDARY SCHOOL***  
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2021**

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

**KYOME BOYS SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOLS**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 20xx**

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

*[Customise the details in this section to suit your School]*

**(a) Background information**

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

The school is a full boarding school and had **250** numbers of students as at 30<sup>th</sup> June 2021. It has **2** streams and **18** teachers of which 5 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	MR. BENJAMIN MUKULO	Chairman	27/9/2019
2	REV. MICHAEL MUTISO	Secretary- Principal	01/01/2020
3	MRS. LYDIA MUSILI	Member-Sponsor	27/9/2019
4	MR. PETER MUSILI	PA Chair	1/2/2020
5	AMMALEX SAMMY THYAKA	Member-Sponsor	27/9/2019
6	MR. BENJAMIN MUKULO	Member-Sponsor	27/9/2019
7	MS CAROL KAMOTE	Member - Community	27/9/2019
8	MR. KIMANZI NZUKI	Member - Community	27/9/2019
9	MRS. JOSPHENE MULI	Member - Community	27/9/2019
10	MRS. AGNES M. MWANGANGI	Member - Community	27/9/2019
11	MS. WINFRED NYAA	Member - Community	27/9/2019
12	MR. GIDEON SIMBU	MemberSpecial Needs	27/9/2019
13	MR. EDWARD P. MWINZI	Member – Rep CEB	27/9/2019
14	MR. DANIEL MUTHAMI	Member Rep Teachers	27/9/2019
15	MR. KENNEDY NYAA	Member - PWD	27/9/2019
16	JOHN MUTISYA	Rep Students	27/9/2019

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

**The function of the School Board of Management includes:**

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

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>1</b>	<b>Executive Committee</b>			
1		BENJAMIN MUKULO	chairman	6 out of 6
2		REV. DR. MUTISO	Principal/Secretary	
3		MRS. LYDIA MUSILI	Member	
4		MRS. CAROL KAMOTE	Member	
5		MR. PETER MWANIKI	PA Chairman	

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>2</b>	<b>Finance, procurement and general purposes</b>			
1		BENJAMIN MUKULO	Chairman	3 out of 6
2		PETER MWANIKI	PA Chairman	
3		DAVID NZUKI	Member	
4		LYDIA MUSILI	Member	
5		MBOO MUTHUI	Member	

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Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>3</b>	<b>Academic Committee</b>			
1		REV. MUTISO	Chairman	3 out of 3
2		MR. MUTHAMI	Member	
3		MBOO MUTHUI	Member	
4		CAROL KAMOTE	Member	
5		PETER MWANIKI	PA Chairman	

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>4</b>	<b>Development/SIC Committee</b>			
1		CDE	Chairman	3 out of 3
2		REV. DR. MUTISO	Principal/Secretary	
3		MRS CAROL KAMOTE	Member	
4		PETER MWINZI	Member	
5		MRS. LYDIA MUSILI	PA Chairman	

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>5</b>	<b>Discipline, Ethics &amp; Integrity Committee</b>			
1		MBOO MUTHUI	Chairman	3 out of 3
2		BENJAMIN MUKULO	Bom Chairman	
3		DANIEL MUMO	D/Principal	
4		PETER MWANIKI	PA Chairman	
5		MR. MUTHSMI	Member	

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Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
6	<b>Audit committee</b>			
1		BENJAMIN MUKULO	Chairman	2 out of 3
2		PETER MWANIKI	Member	
3		DAVID NZUKI	Member	
4		CAROL KAMOTE	Member	
5		LYDIA MUSILI	Member	
1				

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
7	<b>Welfare/Human rights committee</b>			
		MR. MUMO	Chairman	3 out of 3
		MRS. MACHARIA	Member	
		MRS. WAMBUA	Member	
		MR. KIKWATU	Member	
		MR. MUTHAMI	Member	
		JOHN MUTISYA	Students rep	

**(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:

Ref:	Designation	Name	TSC Number
1	Principal	REV. DR. MUTISO	335988
2	Deputy Principal	MR. MBOO MUTHUI	374343
3	School Bursar	STEPHEN KAWOLA	ID NO.

**KEY SCHOOL INFORMATION AND MANAGEMENT**

**(a) Schools contacts**

Post Office Box: 6 – 90402 Migwani Kitui county  
Telephone: 0724 924 327  
E-mail: kyomeboyssecondaryschool@gmail.com  
Website: N/A  
Facebook: N/A  
Twitter: N/A

**(b) School Bankers**

The following school operated **4** bank accounts in Kenya Commercial Bank Limited;

1. Name of Bank: Kenya Commercial Bank Limited  
Branch: Mwingi  
Account name: Boarding account  
Account Number: **11029955517**
2. Name of Bank: Kenya Commercial Bank Limited  
Branch: Mwingi  
Account name: Operations account  
Account Number: **1103008544**
3. Name of Bank: Kenya Commercial Bank Limited  
Branch: Mwingi  
Account name: Tuition account  
Account Number: **1102973998**
4. Name of Bank: Kenya Commercial Bank Limited  
Branch: Mwingi  
Account name: SIC/Infrastructure account  
Account Number: **1263248837**
5. MPESA Lipa karo No **39555K** Linked to Boarding account kcb bank account number **11029955517**

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**(c) Independent Auditors**

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

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

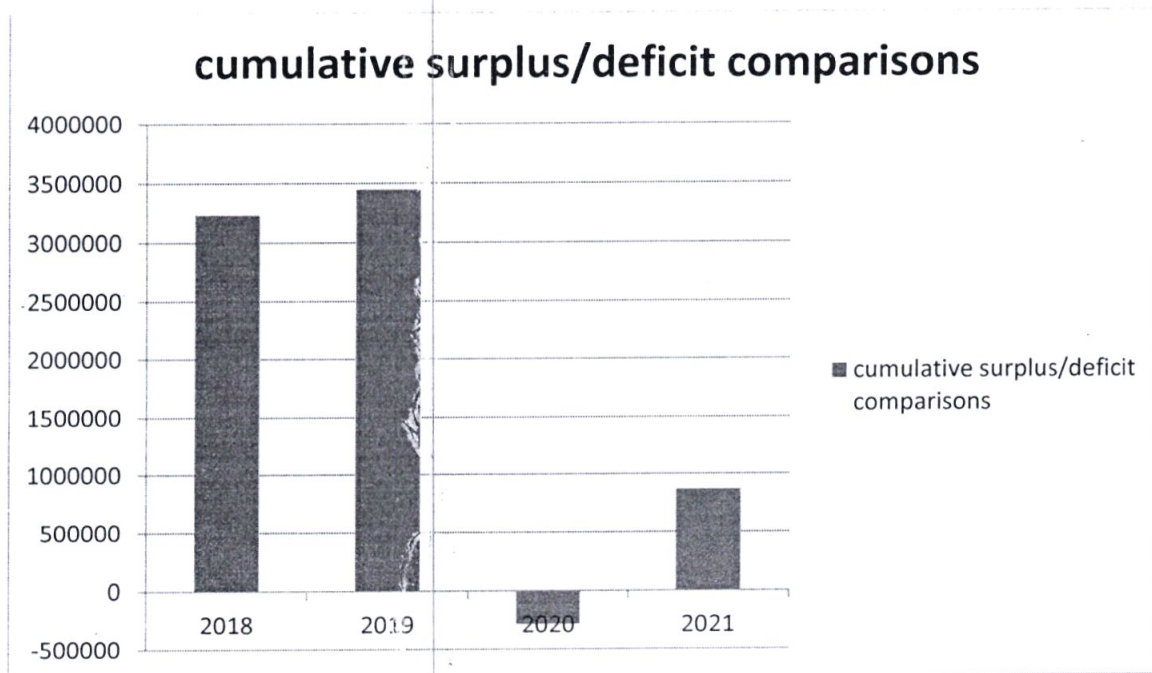
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

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

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

S/N	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1	BOARDING ACCOUNT	760,373.00	1,365,352.00	2,119,877.75	2,624,208.00
2	OPERATIONS ACCOUNT	441,017.00	1,018,329.00	56,044.00	148,805.00
3	TUITION ACCOUNT	-83,827.00	-38,490.00	-219,959.90	459,811.00
4	INFRASTRUCTURE ACCOUNT	-248,634.00	-2,629,362.00	1,492,000.00	0.00
	<b>TOTAL</b>	<b>868,929.00</b>	<b>-284,171.00</b>	<b>3,447,961.85</b>	<b>3,232,824.00</b>

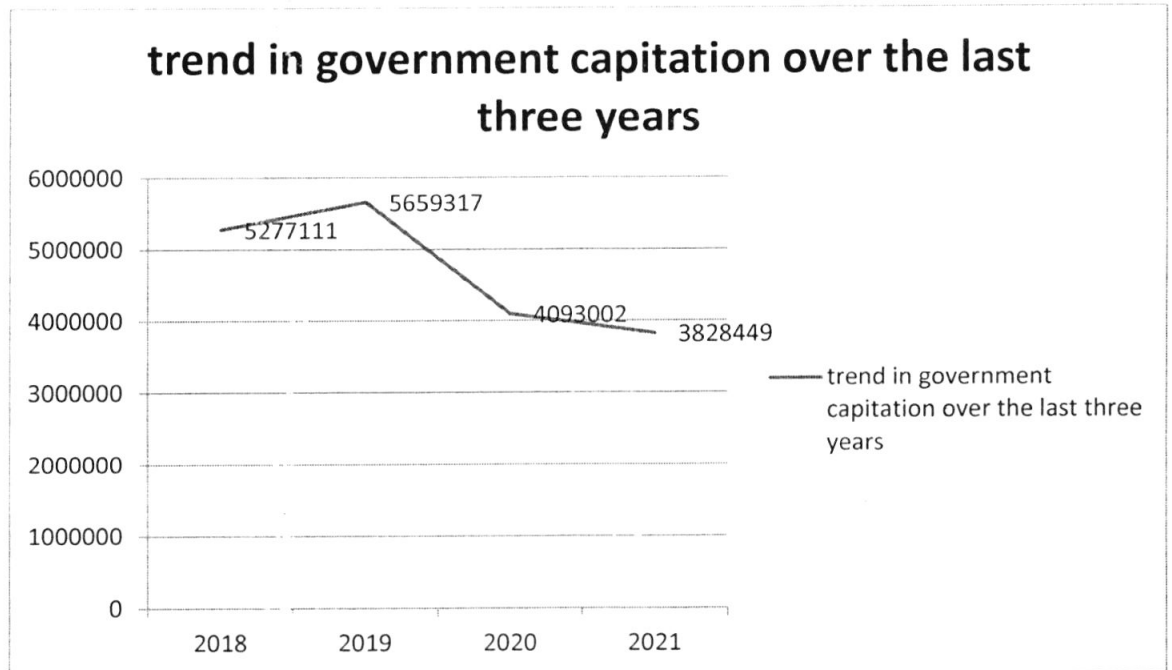


*The cumulative financial performance of the school was at kshs. 3,232,824.00 in the year ending 31<sup>st</sup> Dec 2018. It improved by kshs. 215,137.00 in the year 2019 to a high of kshs. 3,447,962.00. in the year 2020 the performance worsened due to covid-19 and dropped by a hopping kshs. 3,732,133.00 representing a 108% drop. In the current financial year under review, the performance improved by kshs 1,153,100.00 showing a relief in the economic recovery after covid-19*

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

S/N	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1.	OPERATIONS ACCOUNT	3,472,798.00	3,530,386.60	4,647,468.00	3,682,260.00
2	TUITION ACCOUNT	355,651.00	562,615.00	1,011,849.00	1,594,851.00
	<b>TOTAL</b>	<b>3,828,449.00</b>	<b>4,093,001.60</b>	<b>5,659,317.00</b>	<b>5,277,111.00</b>

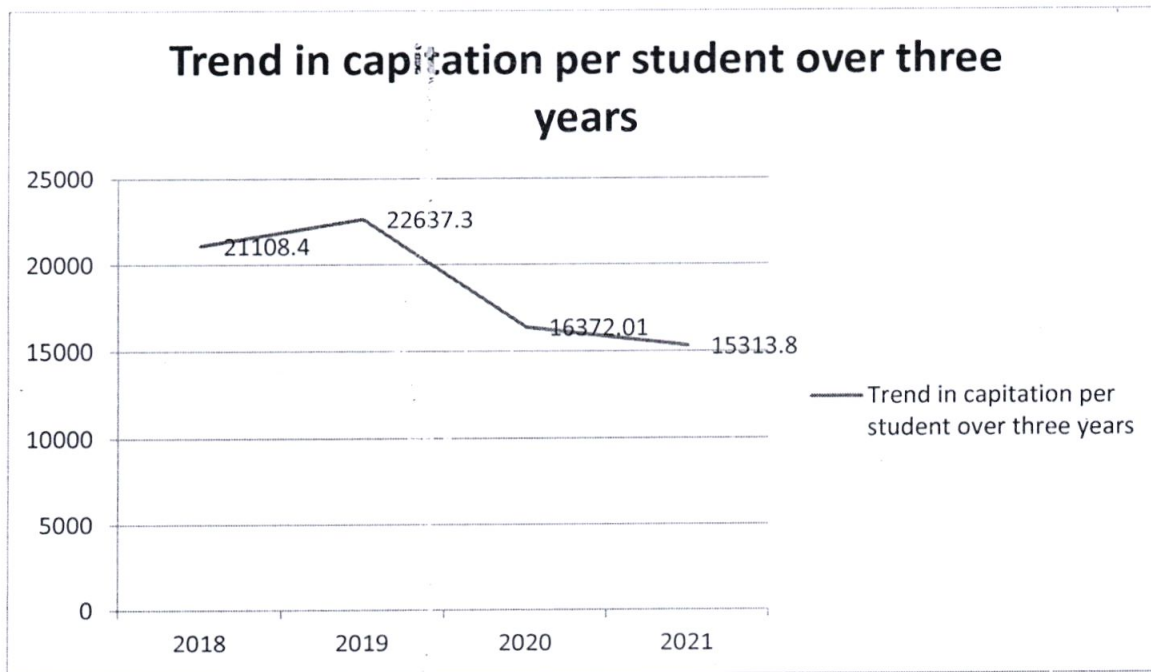


*In the year 2018 capitation for the school was at kshs. 5,277,111.00. this increased by 7% in the year 2019 to kshs.5,659,317.00. in the year 2020 the capitation reduced by kshs. 1,566,317.00 To a total receipt of kshs. 4,093,002.00 This was majorly due to covid-19 to a low of kshs. 3,828,449.00 In the current year under review.*

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

S/N	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1	OPERATIONS ACCOUNT	3,472,798	3,530,386.60	4,647,468.00	3,682,260.00
2	TUITION ACCOUNT	355,651.00	562,615.00	1,011,849.00	1,594,851.00
	<b>TOTAL</b>	<b>3,828,449</b>	<b>4,093,001.60</b>	<b>5,659,317.00</b>	<b>5,277,111.00</b>
	SCHOOL ENROLLMENT	250	250	250	250
	CAPITATION RATIO	<b>15,313.80</b>	<b>16,372.01</b>	<b>22,637.27</b>	<b>21,108.44</b>

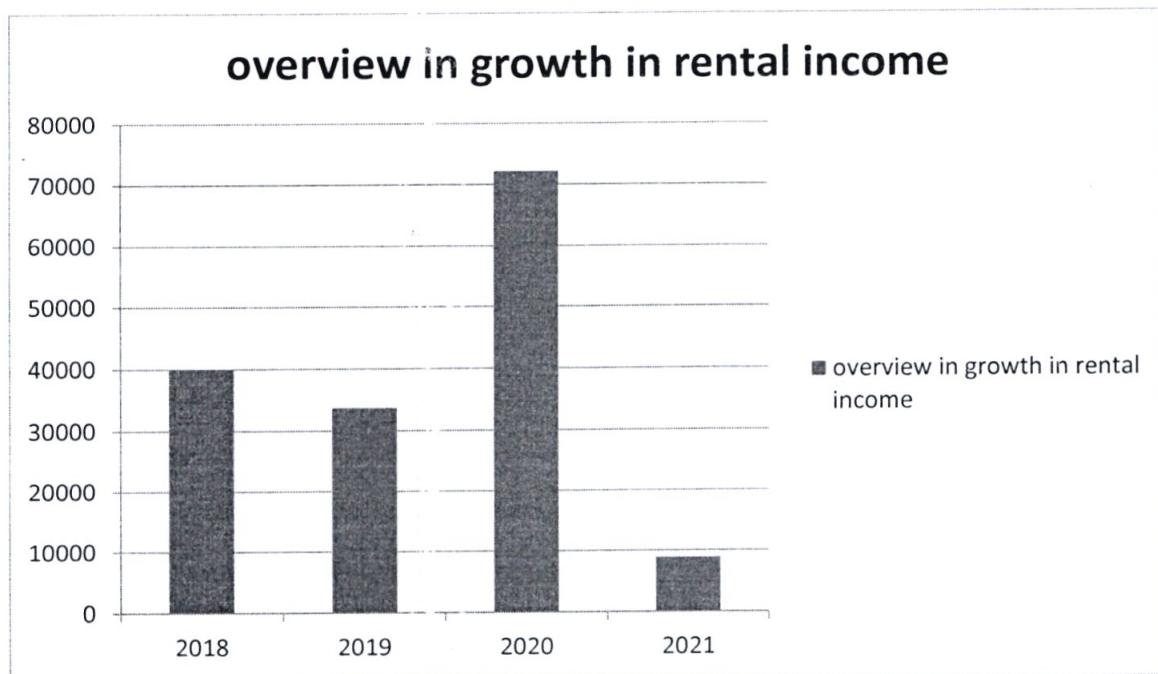


*Just like the capitation, the capitation ratio rose from a low of kshs. 21,108.00 in the year 2018 to kshs. 22,637.00 in the year 2019 then took a downward trend to a low of kshs. 15,314.00 In the year 2021.*

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

S/N	TYPE OF INCOME	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1	RENTAL INCOME	8,950.00	72,200.00	33,700.00	40,000.00
2	SCHOOL CANTEEN	N/A	N/A	N/A	N/A
3	SCHOOL BUS HIRE	N/A	N/A	N/A	N/A
	TOTAL	8,950.00	72,200.00	33,700.00	40,000.00

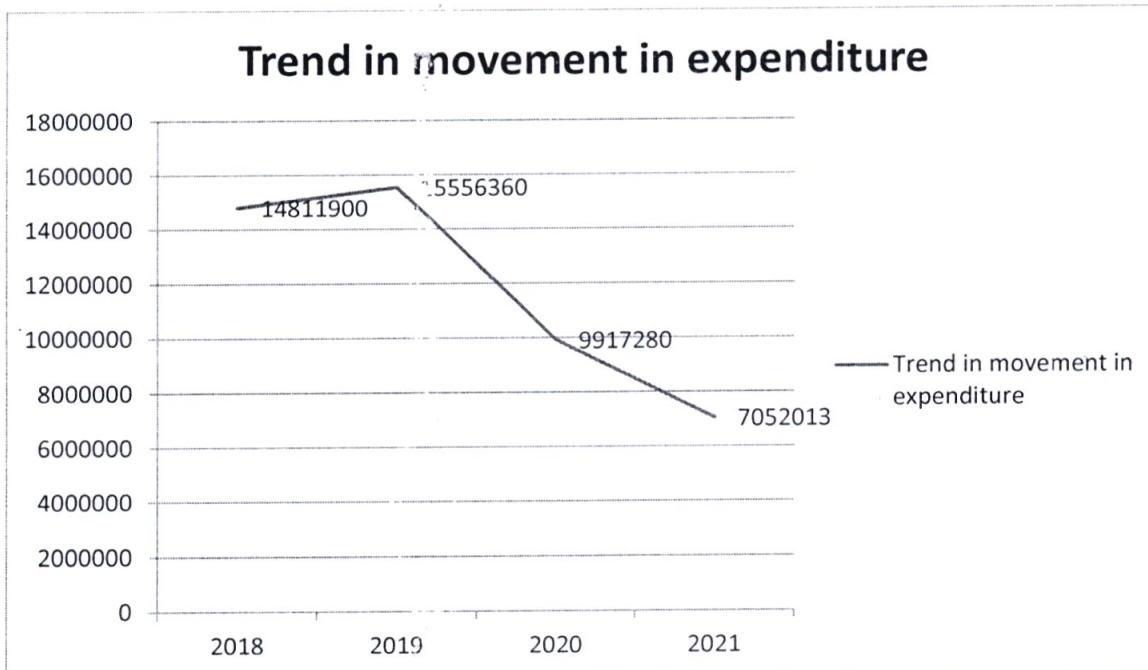


*In the financial period 2017/2018 rental income stood at kshs. 40,000.00, it dropped by 15.75% in the year 2018/2019 to kshs 33,700.00. during the year 2019/2020 rental income grew by 114% to a high of 72,200.00 due to full occupancy and prompt payments. It then dropped to kshs 8,950.00 in the year 2020/2021 due to covid-19 effects and hard economic situation.*

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

S/N	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1	BOARDING ACCOUNT	2,507,120.00	4,174,755.00	8,241,128.00	10,142,886.00
2	OPERATIONS ACCOUNT	3,031,781.00	2,512,058.00	4,591,424.00	3,533,455.00
3	TUITION ACCOUNT	439,478.00	601,105.00	1,231,808.00	1,135,559.00
4.	INFRASTRUCTURE A/C	1,073,634.00	2,629,362.00	1,492,000.00	0.00
	<b>TOTAL</b>	<b>7,052,013.00</b>	<b>9,917,280.00</b>	<b>15,556,360.00</b>	<b>14,811,900.00</b>

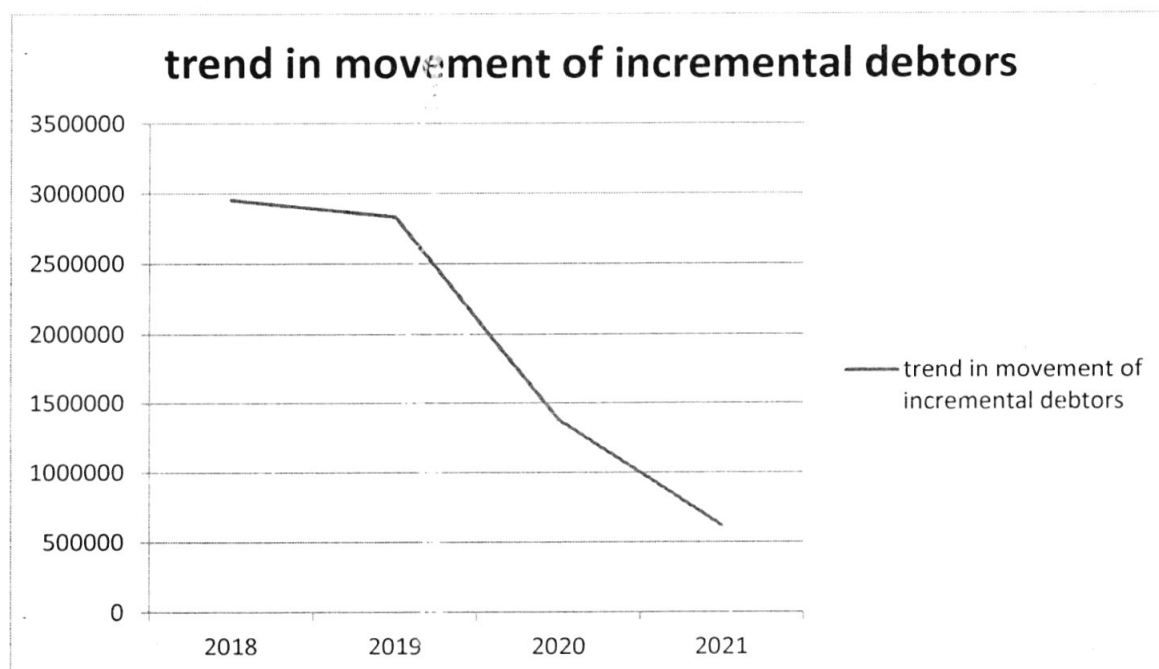


Cumulative expenditure for the year 2018 was at kshs. 14,811,900.00, it grew by 5.03% in the year 2019 to a high of kshs. 15,556,360.00. in the year 2020 and 2021 cumulative expenditure took a downward trend to a low of kshs. 7,052,013.00 In the year 2021.

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

S/N	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
	<i>BOARDING ACCOUNT</i>				
1	<i>FEES DEBTORS</i>	20,339,458.00	19,719,032.00	18,440,279.00	15,835,417.00
	<b>TOTAL</b>	<b>20,339,458.00</b>	<b>19,719,032.00</b>	<b>18,440,279.00</b>	<b>15,835,417.00</b>
	<b>INCREASE/DECREASE</b>	<b>620,426.00</b>	<b>1,278,753.00</b>	<b>2,836,072.00</b>	<b>2,956,631.00</b>

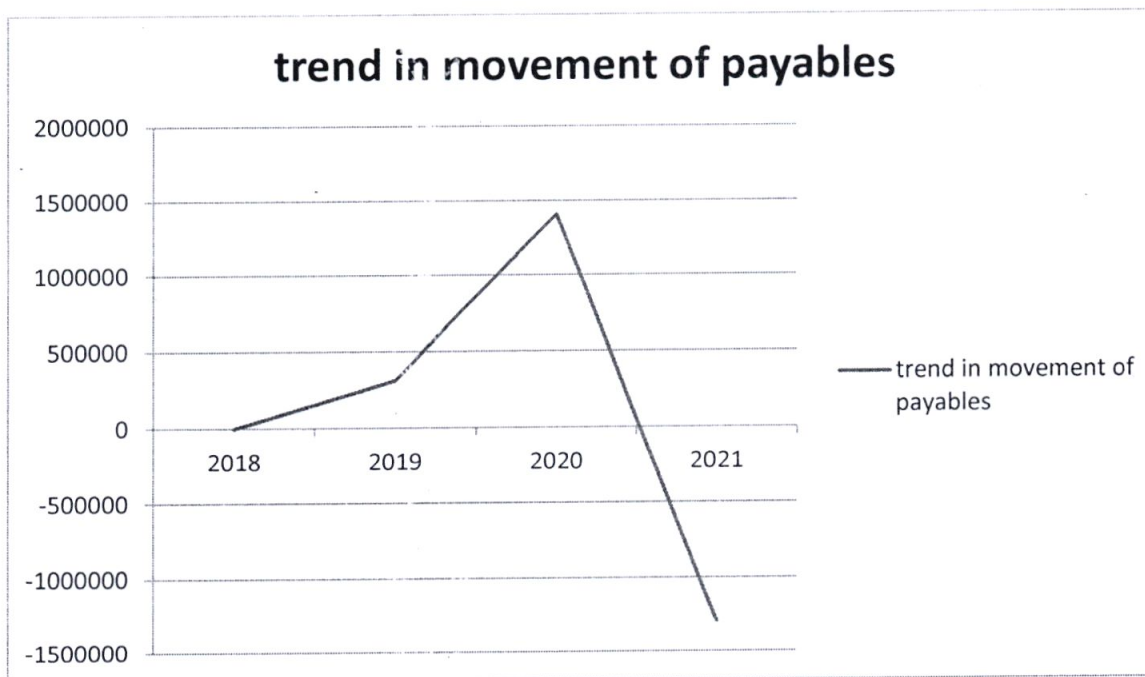


*There has been a steady decline in incremental debtors from the year 2018 to 2021 due to good fees arrears recovery strategy and supportive fees payment by parents.*

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*vii) Movement of creditors of the school over the last three years*

S/N	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1	BOARDING ACCOUNT	253,000.00	287,395.00	307,155.00	0.00
2	OPERATIONS ACCOUNT	100,000.00	0.00	0.00	0.00
3	TUITION ACCOUNT	194,000.00	120,960.00	120,960.00	114,000.00
4.	INFRASTRUCTURE ACCOUNT	0.00	1,430,190.00	0.00	0.00
	<b>TOTAL</b>	<b>547,000.00</b>	<b>1,838,545.00</b>	<b>428,115.00</b>	<b>114,000.00</b>
	<b>INCREASE/DECREASE</b>	<b>-1,291,545.00</b>	<b>1,410,430.00</b>	<b>314,115.00</b>	<b>0.00</b>

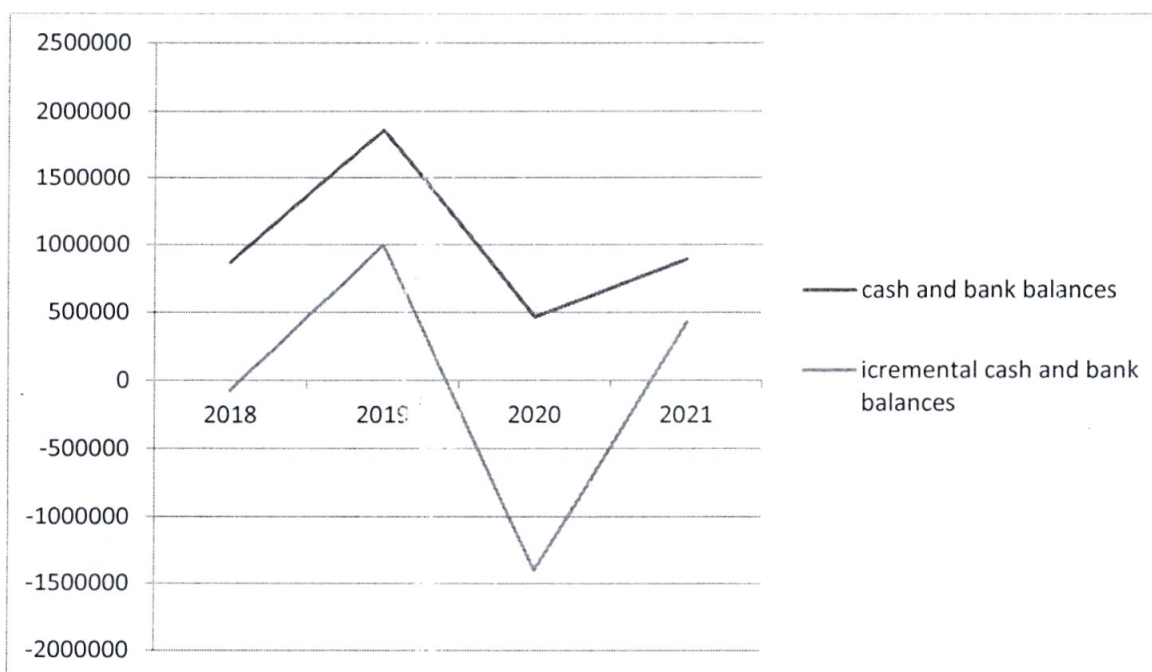


*Payables stood at kshs.114,000.00 in the year 2018, then increased by kshs. 314,115.00 to kshs. 428,115.00 in the year 2019 and again grew by 1,410,545.00 in the year 2020 to kshs. 1,838,545.00 then reduced by kshs.1,291,545.00 to a low of kshs. 547,000.00 in the current year under review.*

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

S/N	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1	BOARDING ACCOUNT	288,004.00	143,409.00	76,570.00	421,798.00
2	OPERATIONS ACCOUNT	596,186.00	55,169.00	243,631.00	187,587.00
3	TUITION ACCOUNT	4,087.00	14,875.00	53,365.00	261,053.00
4.	INFRASTRUCTURE ACCOUNT	4,194.00	252,828.00	1,492,000.00	0.00
	<b>TOTAL</b>	<b>892,471.00</b>	<b>466,281.00</b>	<b>1,865,566.00</b>	<b>870,438.00</b>
	<b>INCREASE/DECREASE</b>	<b>426,190.00</b>	<b>-1,399,285.00</b>	<b>995,128.00</b>	<b>-71,930.00</b>



In the financial period 2018 cash and bank balances stood at kshs 870,438.00 indicating a decline of 7.63% from the previous financial period 2017. In the year 2019 the asset grew by kshs. 995,128.00 to a high of kshs. 1,865,566.00 The declined by 75% to a low of kshs.466,281.00. in the current year under review the asset grew by 91.4% to hit a second high of kshs. 892,471.00

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**j) Teacher Student ratio:**

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

<b>S/N</b>	<b>ACCOUNT</b>	<b>2021</b>	<b>2020</b>
1	TSC TEACHERS	13	12
2	BOM TEACHERS	05	4
3	NUMBER OF STUDENTS	250	250
4	TEACHER STUDENT RATIO	19.23	20.83
5	NO. OF TEACHERS RECRUITED	00	00
6	NUMBER OF TEACHERS TRANSFERED	01	1
7	NUMBER OF TEACHERS RETIRED	00	00
8	TEACHER SHORTAGE	06	06
	<b>TOTAL</b>	<b>19</b>	<b>18</b>
	<b>INCREASE/DECREASE</b>	<b>19</b>	<b>07</b>

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**k) Mean score and number of candidates in the last three years (KCSE) :2018, 2019, 2020**

YEAR	KCSE Candidates	No. Transiting to university	School Mean score	Target Mean(TM)	Deviation from TM	% Deviation from TM
2018	84	15	4.345	5.0	-0.655	-13.1%
2019	72	14	4.833	5.0	-0.033	-0.66%
2020	52	11	5.327	5.5	-0.173	-3.15%

*Kcse performance for the year 2018 stood at 4.345 against a target mean of 5.0 we missed the target mean by 0.655 points representing -13.1%, however, the mean improved by 0.488 in 2019 to 4.833 representing 0.1112% improvement but the target mean was missed by 0.033 points. In the year 2020 the school mean score improved to 5.327 representing 10.22% improvement and target mean missed by 0.173 points. This majorly due to the impact of covid-19*

**l) Capacity of the school:**

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

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s/n	SCHOOL FACILITIES		NO. OF STUDENTS	REMARK
	FACILITY	NUMBER		
			250	
1	CLASSROOMS	10	250	Enough
2	LABORATORIES	3	250	Not enough
3	DORMITORIES	6	250	Enough
4	LATRINES	4 Blocks	250	Enough
5	DINING HALL	1	250	Ok
6	LIBRARY	1	250	Ok
7	COMPUTER LAB	1	250	Needs improvements
8	BATHROOMS	2Blocks	250	Not enough
9	SCHOOL BUS	2	250	GOOD
10	HOMESCIENCE ROOM	NIL	250	N/A
12	FRENCH ROOM	NIL	250	N/A
13	WATER RESOURCES	7 Tanks	250	ENOUGH

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

*Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format.*

s/n	project	Source of funds	Completion state	Completion cost
1	Ablution block	GOK	Complete	1,539,570.00
2	Repair of bathrooms	GOK	Complete	62,000.00
3	Electrical, urinal, kitchen, and pipes repairs and construction of water tank	GOK	Complete	1,585,990.00
4.	BIOMETRIC SYSTEM	GOK	WIP	15,000.00

**Sign**

**School Principal**

 **CHIEF PRINCIPAL**  
KYOME BOYS' SECONDARY SCHOOL  
P.O. Box 6-90402, MIGWANI  
TEL: 0724 924 327

08/11/2022

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

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

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

The Board of Management of *(Name of 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.

**Name:** MR. BENJAMIN MUKULO  
**Designation:** Chairman, School Board of Management  
**Sign:**  
**Date:** 30<sup>th</sup> June 2021

**Name:** CHIEF PRINCIPAL MUTISO  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**  
**Date:** 30<sup>th</sup> June 2021

**Name:** STEPHEN KAWOLA  
**Designation:** Bursar/ Finance Officer  
**Sign:**  
**Date:** 30<sup>th</sup> June 2021

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON KYOME BOYS SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – KITUI 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 Kyome Boys Secondary School – Kitui County set out on pages 22 to 39, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and

payments, statement of cash flows and statement of budget versus actual amounts for the 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly in all material respects, the financial position of Kyome Boys Secondary School – Kitui County as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified opinion**

#### **Unsupported Accounts Receivables**

The statement of financial assets and liabilities reflects long outstanding debtors balance of Kshs.22,223,265 as disclosed in Note 11 to the financial statements. However, the balances were not supported by supporting documents such as student ledgers and fee notes. Further, Note 11 reflects other non-fee receivables - suspense account balance of Kshs.1,732,250 which has not been explained. In addition, significant accounting policies on accounts receivables as disclosed in Note 11 is silent on the treatment of student's fee balances which is a major source of income for the School.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.22,223,265 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kyome Boys 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 audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budget versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.13,378,700 and Kshs.7,138,942 respectively, resulting to under-collection of Kshs.6,239,758 or 47% of the approved budget. However, the School spent a balance of Kshs.6,153,973 against actual receipts of Kshs.7,138,942 resulting to under-utilization of Kshs.984,969.

The under-collection and under expenditure affected the planned activities and may have impacted negatively on the School's activities.

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

### **Basis for Conclusion**

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

The statement of receipts and payments reflects operations grants of Kshs.3,463,798 as disclosed in Note 2 to the financial statements from the Ministry of Education Included in the amount is Kshs.1,228,500 in respect of infrastructure which were to be transferred to infrastructure bank account for maintenance. However, only Kshs.1,045,000 was transferred to infrastructure account leaving a balance of Kshs.83,500 as at 30 June, 2021.

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

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

During the period under review, Management submitted the financial statements to the Auditor-General on 17 May, 2024 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 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. Failure to Update Fixed Asset Register and Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary fixed assets register balance of Kshs.12,780,000 as at 30 June, 20XX. The values of the assets were hand written and not typed as other figures in the financial statements. Further, the School's land and buildings and structures were not supported by ownership documents as allotment letters and title deeds.

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

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

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

##### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

##### **Basis for Conclusion**

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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters

related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the School policies and procedures may deteriorate.

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

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

19 November, 2024

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

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

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	355,651.00	562,615.00
Capitation grants for operations	2	3,463,798.00	3,530,388.00
School Fund Income- Parents' Contributions	3	3,258,543.00	5,467,907.00
School Fund Income- Other receipts	4	8,950.00	72,200.00
Proceeds from borrowings		0.00	0.00
<b>TOTAL RECEIPTS</b>		<b>7,086,942.00</b>	<b>9,633,110.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	439,478.00	601,105.00
Payments for operations	6	3,430,415.00	5,141,421.00
Boarding and school fund payments	7	2,507,120.00	4,174,755.00
<b>TOTAL PAYMENTS</b>		<b>6,377,013.00</b>	<b>9,917,281.00</b>
<b>SURPLUS/DEFICIT</b>		<b>709,929.00</b>	<b>-284,171.00</b>

The school financial statements were approved on 10/11/2022 and signed by:

Sign: .....

Name: **MR. BENJAMIN MUKULO**

Sign: .....

**REV MICHAEL MUTISO**

Sign: .....

**STEPHEN KAWOLA**

Chair BOM

Date: 10/11/2022.....

School Principal/  
Secretary to BOM

Date: 10/11/2022.....

Bursar/  
Finance Officer

Date: 10/11/22.....


**CHIEF PRINCIPAL**  
KYOME BOYS SECONDARY SCHOOL  
P.O Box 6-90402, MIGWANI  
TEL: 0724 924 327

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

**VI. 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	538,022.00	179,128.00
Cash Balances	9	164,449.00	50,260.00
Short term Investment	10	0.00	0.00
<b>Total Cash and cash equivalent</b>		<b>702,471.00</b>	<b>229,388.00</b>
Account's receivables	11	22,223,265.00	21,846,974.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>22,925,736.00</b>	<b>22,076,362.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	858,520.00	719,075.00
<b>NET FINANCIAL ASSETS</b>		<b>22,067,216.00</b>	<b>21,357,287.00</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	21,357,287.00	21,641,458.00
Surplus/Deficit for the year		709,929.00	-284,171.00
<b>NET FINANCIAL POSITION</b>		<b>22,067,216.00</b>	<b>21,357,287.00</b>

The School's financial statements were approved on 10/11/2022 2022 and signed by:

Sign: 

Name: MR. BENJAMIN MUKULO

Chair BOM

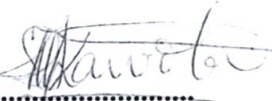
Date: 10/11/2022

Sign: 

REV MICHAEL MUTISO

School Principal/  
Secretary to BOM

Date: 10/11/2022

Sign: 

STEPHEN KAWOLA

Bursar/  
Finance Officer

Date: 10/11/22

**CHIEF PRINCIPAL**  
 KYOME BOYS' SECONDARY SCHOOL  
 P.O Box 6-90402, MIGWANI  
 23 TEL: 0724 924 327

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

	2020-2021	2019-2020
	Kshs	Kshs
<b>Receipts for operating income</b>		
Capitation grants for tuition	355,651.00	562,615.00
Capitation grants for operations	3,472,798.00	3,530,387.00
School fund income- Parents contributions/ fees	2,583,310.00	4,128,149.00
School fund income- other receipts	8,950.00	72,200.00
<b>Total receipts</b>	<b>6,420,709.00</b>	<b>8,293,351.00</b>
<b>Payments</b>		
Payments for Tuition	366,438.00	601,105.00
Payments for operations	2,256,781.00	2,267,052.00
Boarding and school fund payments	2,488,265.00	4,194,518.00
<b>Total payments</b>	<b>5,111,484.00</b>	<b>7,062,675.00</b>
<b>Net cashflow from operating activities</b>	<b>1,309,225.00</b>	<b>1,230,676.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Assets	0.00	0.00
Acquisition of Assets	-1,073,634.00	-2,629,362.00
Proceeds from investments	0.00	0.00
Purchase of investments	0.00	0.00
<b>Net cash flows from Investing Activities</b>	<b>-1,073,634.00</b>	<b>-2,629,362.00</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>		
Proceeds from borrowings/ loans	0.00	0.00
Repayment of principal borrowings	0.00	0.00
<b>Net cash flow from financing activities</b>	<b>0.00</b>	<b>0.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>235,591.00</b>	<b>-1,398,686.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>466,880.00</b>	<b>1,865,566.00</b>
<b>Cash and cash equivalent at END of the year</b>	<b>702,471.00</b>	<b>466,880.00</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 cash flow as recommended by PSASB.*



**KYOME BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
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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
SMASSE	0.00	0.00	0.00	86,109.00	-86,109.00	0.00%
<b>(3) FEES CHARGED ON PARENTS</b>	0.00	0.00	0.00	183,433.00	-183,433.00	0.00%
Personnel emoluments	0.00	0.00	0.00	0.00	0.00	0.00%
Repairs and maintenance	0.00	0.00	0.00	0.00	0.00	0.00%
Local transport / travelling	1,161,000.00	0.00	1,161,000.00	0.00	1,161,000.00	0.00%
Electricity and water	0.00	0.00	0.00	0.00	0.00	0.00%
Medical	0.00	0.00	0.00	0.00	0.00	0.00%
Administration costs	0.00	0.00	0.00	86,109.00	-86,109.00	0.00%
Activity					0.00	0.00%
SMASSE					0.00	0.00%
Fee on Boarding Equipment and Stores	750,000.00	0.00	750,000.00	832,602.00	-82,602.00	111.01%
<b>OTHER INCOME</b>	1,500,000.00	0.00	1,500,000.00	1,164,049.00	335,951.00	77.60%
Rent income	250,000.00	0.00	250,000.00	498,049.00	-248,049.00	199.22%
Income from farming activities	625,000.00	0.00	625,000.00	489,049.00	135,951.00	78.25%
Insurance compensation	0.00	0.00	0.00	0.00	0.00	0.005%
Income from Posho mill	350,000.00	0.00	350,000.00	489,049.00	-139,049.00	139.73%
Income from Bus Hire	375,000.00	0.00	375,000.00	0.00	375,000.00	0.00%
Fee for hire of ground and equipment	0.00	0.00	0.00	0.00	0.00	0.00%
Interest income	50,000.00	0.00	50,000.00	50,000.00	0.00	100.00%
Income from any other investment					0.00	0.00%
<b>TOTAL INCOME</b>	<b>13,228,700.00</b>	<b>150,000.00</b>	<b>13,378,700.00</b>	<b>7,138,942.00</b>	<b>6,239,758.00</b>	
<b>(1) EXPENDITURE FOR</b>						

**KYOME BOYS SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>TUITION</b>						
Textbooks and reference materials	556,875.00	0.00	556,875.00	45,000.00	511,875.00	8.08
Exercise books	145,180.00	0.00	145,180.00	200,000.00	-54,820.00	137.76
Laboratory equipment	100,000.00	0.00	100,000.00	0.00	100,000.00	0.00
Internal exams	0.00	0.00	0.00	0.00	0.00	0.00
Teaching / learning materials	50,000.00	0.00	50,000.00	0.00	50,000.00	0.00
Chalks	20,000.00	0.00	20,000.00	0.00	20,000.00	0.00
Exams and assessment	66,120.00	0.00	66,120.00	121,438.00	-55,318.00	183.66
Teachers guides	0.00	0.00	0.00	0.00	0.00	0.00
Administration costs	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00
					0.00	0.00
<b>(2) EXPENDITURE FOR OPERATIONS</b>					0.00	0.00
Personnel emoluments	550,000.00	0.00	550,000.00	1,312,386.00	-762,386.00	238.62
Repairs, maintenance & improvements	1,500,000.00	0.00	1,500,000.00	1,352,034.00	147,966.00	90.14
Local transport / travelling	250,000.00	0.00	250,000.00	9,120.00	240,880.00	3.65
Electricity, water and conservancy	625,000.00	0.00	625,000.00	401,500.00	223,500.00	64.24
Medical/Insurance	509,000.00	0.00	509,000.00	0.00	509,000.00	0.00
Administration costs	350,000.00	0.00	350,000.00	355,375.00	-5,375.00	101.54
Activity Expenses	280,000.00	0.00	280,000.00	0.00	280,000.00	0.00
Gratuity	200,000.00	0.00	200,000.00	0.00	200,000.00	0.00
SMASSE	50,000.00	0.00	50,000.00	0.00	50,000.00	0.00
<b>(3) EXPENDITURE FOR</b>					0.00	0.00

**KYOME BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
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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 %
	Kshs	Kshs			Kshs	Kshs
<b>SCHOOL FUND</b>						
Personnel emoluments	1,400,000.00	0.00	1,400,000.00	219,547.00	1,180,453.00	15.68%
Repairs, maintenance and improvements	500,000.00	0.00	500,000.00	113,995.00	386,005.00	22.80%
Local transport / travelling	0.00	0.00	0.00	147,230.00	-147,230.00	0.00%
Electricity, water and conservancy	0.00	0.00	0.00	86,450.00	-86,450.00	0.00%
Medical Expenses	0.00	0.00	0.00	0.00	0.00	0.00%
Administration costs	0.00	0.00	0.00	226,650.00	-226,650.00	0.00%
Activity	65,500.00	0.00	65,500.00	35,300.00	30,200.00	53.89%
Gratuity	274,160.00	0.00	274,160.00	0.00	274,160.00	0.00%
Lunch programme	0.00	0.00	0.00	0.00	0.00	0.00%
Boarding Equipment and Stores	6,072,090.00	0.00	6,072,090.00	1,527,948.00	4,544,142.00	25.16%
Expenditure for Income Generating Activity	0.00	0.00	0.00	0.00	0.00	0.00%
Insurance costs	0.00	0.00	0.00	0.00	0.00	0.00%
Other expenses on investments	0.00	0.00	0.00	0.00	0.00	0.00%
Rent Expenses	0.00	0.00	0.00	0.00	0.00	0.00%
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00%
Loan Interest Repayment	0.00	0.00	0.00	0.00	0.00	0.00%
Loan Principal Repayment	0.00	0.00	0.00	0.00	0.00	0.00%
Acquisition of Assets	0.00	0.00	0.00	0.00	0.00	0.00%
<b>TOTALS</b>	<b>13,563,925.00</b>	<b>0.00</b>	<b>13,563,925.00</b>	<b>6,153,973.00</b>	<b>7,409,952.00</b>	

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

- i. Xxx
- ii. Xxx

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## **SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school* and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

### **2. Recognition of receipts and payments**

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

### **3. In-kind contributions**

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

### **4. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

**VIII. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	86,109.00	140,600.00
Exercise books	183,433.00	0.00
Laboratory equipment	0.00	150,000.00
Internal exams	86,109.00	240,600.00
Teaching / learning materials	0.00	31,415.00
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
<b>Total</b>	<b>355,651.00</b>	<b>562,615.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	832,602.00	1,176,460.00
Repairs and maintenance	1,164,049.00	700,642.00
Local transport / travelling	489,049.00	84,642.00
Electricity and water	489,049.00	784,642.00
Medical	0.00	
Administration costs	489,049.00	84,000.00
Activity	0.00	700,000.00
<b>Total</b>	<b>3,463,798.00</b>	<b>3,530,386.00</b>

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

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	260,346.00	199,125.00
Repairs and maintenance	784,780.00	341,632.00
Local transport / travelling	158,010.00	255,590.00
Electricity and water	145,570.00	201,958.00
Medical	0.00	0.00
Administration costs	92,195.00	118,287.00
Activity	41,400.00	35,800.00
<b>Total</b>	<b>1,482,301.00</b>	<b>1,152,392.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	1,769,242.00	4,280,840.00
Rent income	8,950.00	72,200.00
Income from farming activities	0.00	0.00
Tenders	7,000.00	2,000.00
Miscellaneous revenue	0.00	30,835.00
Income from Bus Hire	0.00	0.00
Fee for hire of ground and equipment	0.00	0.00
Income from grants and donations*	0.00	0.00
Interest income	0.00	0.00
Students ids	0.00	1,840.00
<b>Total</b>	<b>1,785,192.00</b>	<b>4,387,715.00</b>

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

**5 PAYMENTS FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	45,000.00	215,400.00
Exercise books	200,000.00	
Laboratory equipment	0.00	27,580.00
Internal exams	194,478.00	249,325.00
Teaching / learning materials	0.00	108,800.00
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Administration Costs	0.00	0.00
Bank Charges	0.00	0.00
<b>Total</b>	<b>439,478.00</b>	<b>601,105.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,312,386.00	1,261,426.00
Service Gratuity	0.00	0.00
Administration Cost	355,375.00	272,792.00
Repairs and maintenance & improvements	278,400.00	26,580.00
Local transport / travelling	9,120.00	120,435.00
Electricity and water	401,500.00	613,889.00
Medical	0.00	0.00
Activity Expenses	0.00	216,935.00
SMASSE	0.00	0.00
Insurance Cost	0.00	0.00
Bank Charges	0.00	0.00
Acquisition of Assets	1,073,634.00	2,629,364.00
<b>TOTAL</b>	<b>3,430,415.00</b>	<b>5,141,421.00</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	219,547.00	326,873.00
Activity fees	35,300.00	142,725.00
Repairs and maintenance & Improvements	113,995.00	470,540.00
Local transport / travelling	147,230.00	234,150.00
Electricity and water	86,450.00	296,412.00
Medical Expenses	0.00	0.00
Administration costs	226,650.00	308,548.00
Lunch Programme	0.00	0.00
Bank Charges	0.00	0.00
Expenses on Income Generating Activities	0.00	0.00
Fee on Boarding Equipment and Stores	1,527,948.00	2,395,507.00
Infrastructure account	150,000.00	0.00
Insurance Cost (Life Property)	0.00	0.00
Loan Principal repayment	0.00	0.00
Loan Interest repayment	0.00	0.00
Acquisition of Assets	0.00	0.00
<b>TOTAL</b>	<b>2,507,120.00</b>	<b>4,174,755.00</b>

*Expenses on income generating activities\*\* should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		4,087.00	14,874.00
Operations Account		434,826.00	13,069.00
School Fund Account/Boarding		94,915.00	135,849.00
Savings Account		0.00	0.00
Parent Association Development A/C		0.00	0.00
Income generating activities Account		0.00	0.00
Infrastructural Account		4,194.00	15,336.00
<b>Total</b>		<b>538,022.00</b>	<b>179,128.00</b>

**9 CASH IN HAND**

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	161,360.00	42,100.00
School Fund account	3,089.00	8,160.00
<b>Total</b>	<b>164,449.00</b>	<b>50,260.00</b>

**10 SHORT TERM INVESTMENTS**

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	20,435,015.00	20,058,724.00
Other non-fees receivables-Suspense account	1,732,250.00	1,732,250.00
Salary advances	56,000.00	56,000.00
Imprest	0.00	0.00
<b>Total</b>	<b>22,223,265.00</b>	<b>21,846,974.00</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	847,457.00	1,339,758.00
Fees arrears for the previous year	1,264,284.00	2,708,667.00
Fees arrears for prior periods (over two years)	20,111,524.00	17,798,549.00
<b>Total</b>	<b>22,223,265.00</b>	<b>21,846,974.00</b>

**12 ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	547,800.00	408,355.00
Prepaid fees	0.00	0.00
Retention monies	310,720.00	310,720.00
<b>Total</b>	<b>858,520.00</b>	<b>719,075.00</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	547,800.00	287,395.00
Trade creditors for the previous year	0.00	120,960.00
Trade creditors for prior periods (over two years)	0.00	0.00
<b>Total</b>	<b>547,800.00</b>	<b>408,355.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	179,128.00	1,862,613.00
Cash balances	287,752.00	2,952.00
Short Term Investments	0.00	0.00
Receivables	23,758,643.00	20,494,968.00
Payables	-2,868,236.00	-719,075.00
<b>Total</b>	<b>21,357,287.00</b>	<b>21,641,458.00</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 Kshs	2019-2020 Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15 Biological assets**

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

**16 Borrowings**

Description	2020-2021 KShs	2019-2020 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>	<b>-</b>	<b>-</b>

**Other important disclosure notes**

**17 Stock/ Inventory**

Description	2020-2021 KShs	2019-2020 KShs
<b>b) Borrowings</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>	-	-

**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4. Pivmac Ent					202,000	
5. Agape Ent					74,340	
6. High mark					21,000	
<b>Sub-Total</b>						
<b>Supply of services</b>						
7. Janotech Ent					19,700	
8.						
9.						
<b>Sub-Total</b>						
<b>Grand Total</b>					317,040	

LIST attached.

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**AIC KYOME BOYS SECONDARY SCHOOL**

**P.O BOX 6 – 90402**

**MIGWANI**

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**LIST OF CREDITORS AS AT 30<sup>TH</sup> JUNE 2021**

1. Pitmac enterprises	- 202000
2. Agape traders enterprise	- 74340
3. Highmark enterprise	- 21000
4. Variotec enterprises	- 19700
<b>Total</b>	<b>317 040</b>

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

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx
Land 1			2,000,000			
Land 2			3,000,000			
Buildings and structures			3,000,000			
Motor vehicles			3,800,000			
Office equipment, furniture and fittings			200,000			
ICT Equipment, and Other ICT Assets			140,000			
Tools and apparatus			20,000			
Textbooks			10,000			
Other Machinery and Equipment			200,000			
Heritage and cultural assets			—			
Intangible assets- soft ware			150,000			
<b>Total</b>			<del>4,000,000</del>			

12780,000

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

**SCHOOL ASSETS AS AT 30<sup>TH</sup> JUNE 2021**

<b>S/N</b>	<b>Item/Asset</b>	<b>Number</b>	<b>State/Remark</b>
1	Tables	56	
2	Chairs	193	
3	Laptops	5	
4	Cardboards	5	
5	Curtains	9	
6	Box	1	
7	Computers	1	
8	Printers	5	
9	Shelves	6	
10	Type Writer	1	
11	Thermos	1	
12	Spoons	60	
13	Cups	44	
14	Plates	46	
15	Paper Caters	2	
16	Printing paper	10	
17	Ruled papers	20	
18	Ink	4	
19	Exercise books	3 cartons	
20	Cabinets	6	
21	Tropes	6	
22	Water dispenser	2	
23	Dustbin basket	1	

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24	School log	1	
25	School bus	2	
26	Dormitory	6	
27	Borehole	1	Not functional
28	Cement tanks	5	
29	Water tanks plastic	3	
30	kitchen	1	
31	Administration block	1	
32	Stores	3	
33	Science laboratory	2	
34	Bathrooms	18	
35	Staffroom	1	
36	Latrines	17	
37	Dining hall	1	
38	Library	1	
39	classrooms	10	
40	Land	32 acres	
41	Teachers quarters	11	
42	Watch	2	
43	Extensions	4	
44	Hooper	2	
45	Tray	1	
46	Sofa	2 sets	
47	Cylinders	2	
48	Burner	1	
49	Beds	307	

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50	Mattress	5
51	Bench	50
52	Sufuria	4
53	TV	3
54	Knife	2
55	Rolling Shade	1
56	Sieve	1
57	Jacks	2
58	Holder	1
59	Mosquito net	1
60	Bed sheets	2
61	Duvet	1
62	Pillows	2
63	Ironbox	1
64	Lockers	238
65	Projectors	2
66	Projector screen	1
67	Hot pot	3
68	Textbooks	
69	Maths	1167
70	Eng	1244
71	Kisw	1303
72	Agri	721
73	Ger	726
74	Hist	407
75	B/S	310

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76	CRE	669	
77	Phy	494	
78	Bio	562	
79	Chem	479	

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