

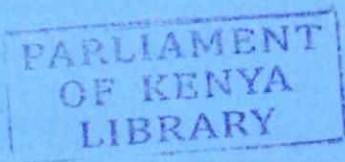
REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

OF




**THE AUDITOR-GENERAL**

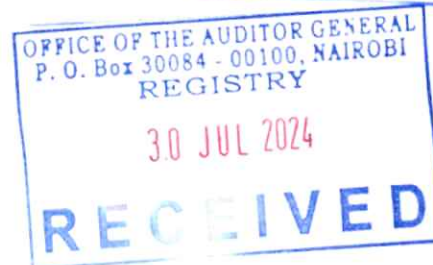
ON

**ST. THOMAS AQUINAS BOYS THOMEANDU  
SECONDARY SCHOOL**

**FOR YEAR ENDED  
30 JUNE, 2023**

**MAKUENI COUNTY**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 MAR 2025	DAY:
TABLED BY:	
CLERK-AT THE-TABLE:	



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**ST. THOMAS AQUINAS BOYS THOMEANDU  
SECONDARY SCHOOL  
P.O.BOX 84-90130  
NUNGUNI**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

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

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### Acronyms and Glossary of Terms

*Provide a list of all applicable acronyms and glossary of terms e.g.*

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

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 in Kilungu Sub-County, Makueni County.

The school was registered in 4/9/2019 under registration number 17S30000002 and is currently categorized as An Extra County Public Catholic Boys School established, owned or operated by the Government.

The school is a Public Boys Boarding Secondary School and had 554 students as at 30<sup>th</sup> June 2023. It had 3 streams of 12 classes and 28 teachers of which 9 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.	Dr. Fredrick F. Kasomi	Chairperson	29.06.2022
2.	Mr. Paul Gitonga	Secretary - Principal	29.06.2022
3.	Mr. Bernard Malonza	Secretary- Chief Pricipal	29.12.2024
4.	QS. Jackson M. Kasuli	Member -community	29.06.2022
5.	Prof. Munyae Mulinge	Member -Community	29.06.2022
6.	Mrs. Marietta Wambua	Member -Community	29.06.2022
7.	Ms Faith Katumbi	Member-Community	29.06.2022
8.	Mr. Lawrence Makau	Member-Community	29.06.2022
9.	Eng John K. Mulela	Member-Community	29.06.2022
10.	Ms. Terry Munyae	Member – Rep CEB	29.06.2022
11.	Mrs Ruth Mutunga	Member Rep Teachers	29.06.2022
12.	Fr. Dominic Nyamai	Member - Sponsor	29.06.2022
13.	Mr. Sebastian Musoki	Member -Sponsor	29.06.2022
14.	Dr. Fredrick Kasomi	Member-sponsor	29.06.2022
15.	Mr. Stephen Matee	Member – Special intrest	29.06.2022
16.	Mr. Peter Mukeku	Member Special Needs	29.06.2022
17.	Mr. Samson Kimenye	Coopted Member	29.06.2022
18.	Ms. Emmaculate Syokau	Coopted Member	29.06.2022
19.	Kelvin Ndambuki	Rep Students	29.06.2022

**The functions of the School Board of Management are to:**

- 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	1.Dr. Fredrick Kasomi 2.Mr. Gitonga Paul. 3.Mr. Peter Mukeku 4.Mr. Lawrence Makau 5.Fr. Dominic Nyamai 6. Mrs. Marietta Wambua 7. Ms. Redempta Mutheu 8. Ms. Faith Mutavi	Chairperson Secretary Member Member Member Member PA Chair Member	2/2  2/2  2/2  2/2  2/2
2	Audit Committee	1.Prof. Mulinge Munyae 2.Mr. Stephen Matee 3.M/s Emmaculate Syokau		0/0 0/0 0/0
3	Finance,procurement and general purposes Committee			X out of xx
4	Academic Committee	1. Eng. Kyalo Mulela 2.Dr. Fredrick Kasomi 3.Mr. Lawrence Makau 4.Prof. Munyae Mulinge	Chairperson Secretary Member Member	1/1 1/1 1/1 1/1

**ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL**  
**P.O.BOX 84-90130, NUNGUNI**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

5	Development Committee	1 Mr. Peter Mukeku 2 Dr. Fredrick Kasomi 3 Ms. Faith Mutavi 4 Mrs. Marietta Wambua	Chairperson Member Member Member Member	2/2 2/2 2/2 2/2
6	Discipline and welfare Committee	1.Qs. Jackson Kasuli 2.Ms. Emmaculate Syokau 3.Mr. Sebastian Musyoki 4.Mrs. Ruth Wambua	Chairperson Secretary Member Member	0/0 0/0 0/0 0/0
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mr. Gitonga Paul	TSC No. 371607
2	Deputy Principal	Mr. Urbanus Mutuku	TSC No.373092
3	School Bursar	Mary Muange	ID No. 27883544

**(e) Schools contacts**

Post Office Box: 84-90130, NUNGUNI  
 Telephone: 0757609686  
 E-mail: thomeb43@yahoo.com  
 Website: N/A  
 Facebook: N/A

**(f) School Bankers**

The school operated five bank accounts in the following banks;

1. Account Name: Tuition Account  
Name of Bank: Kenya Commercial Bank  
Branch: Machakos  
Account Number: 1206800917
  
2. Account Name: Operation Account  
Name of Bank: Kenya Commercial Bank  
Branch: Machakos  
Account Number: 1206801360
  
3. Account Name: Infrastructure Account  
Name of Bank: Kenya Commercial Bank  
Branch: Machakos  
Account Number: 1210824639
  
4. Account Name: Informal Generating Unit  
Name of Bank: Equity Bank  
Branch: Machakos  
Account Number: 0600284132391
  
5. Account Name: Boarding Account  
Name of Bank: Equity Bank  
Branch: Machakos  
Account Number: 0600294155765  
MPESA pay Bill No.995524 attached to Boarding account Bank

**(g) Independent Auditors**

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

Summary Report of Performance of The School

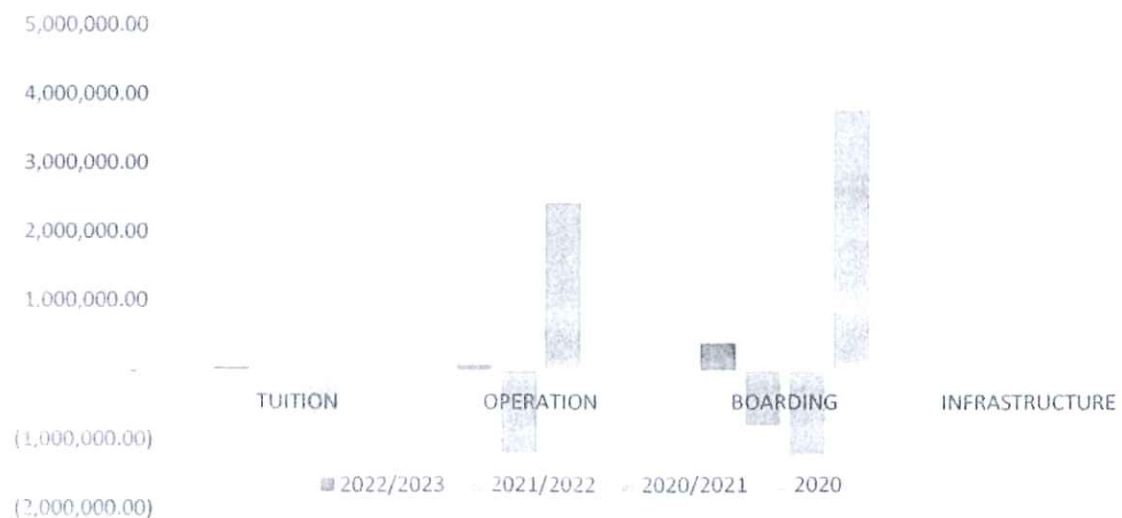
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

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

S/N	ACCOUNT	YEAR 2022/2023	YEAR 2021/2022	YEAR 2020/2021	YEAR 2020
01	TUITION	45,385.00	7,495.00	(681,036.00)	(919,644)
02	OPERATION	81,481.00	(1,881,490.00)	2,422,578.05	(27,432.00)
03	BOARDING	395,167.00	(780,299.00)	(1,200,654.00)	3,773,936.00
04	INFRASTRUCTURE	(10,955.00)			00
	TOTAL	511,078.00	(2,654,294.00)	530,888.05	2,826,860.00

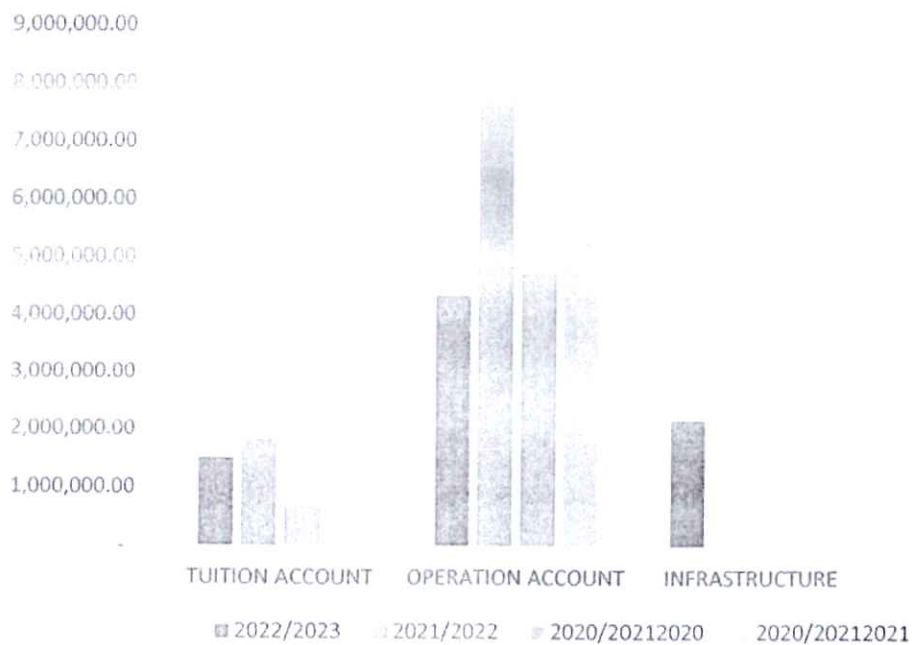
GRAPHICAL PRESENTATION



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

S/N	ACCOUNT	YEAR 2022/2023	YEAR 2021/2022	YEAR 2020/2021	YEAR 2020
01	TUITION	1,512,260.00	1,834,970.00	664,538.00	827,314.00
02	OPERATION	4,327,480.00	8,024,713.00	4,714,005.05	5,318,375.00
03	INFRASTRUCTURE	2,167,000.00	00	00	00
	<b>TOTAL</b>	<b>8,006,740.00</b>	<b>9,859,683.00</b>	<b>5,378,543.05</b>	<b>6,145,689.00</b>

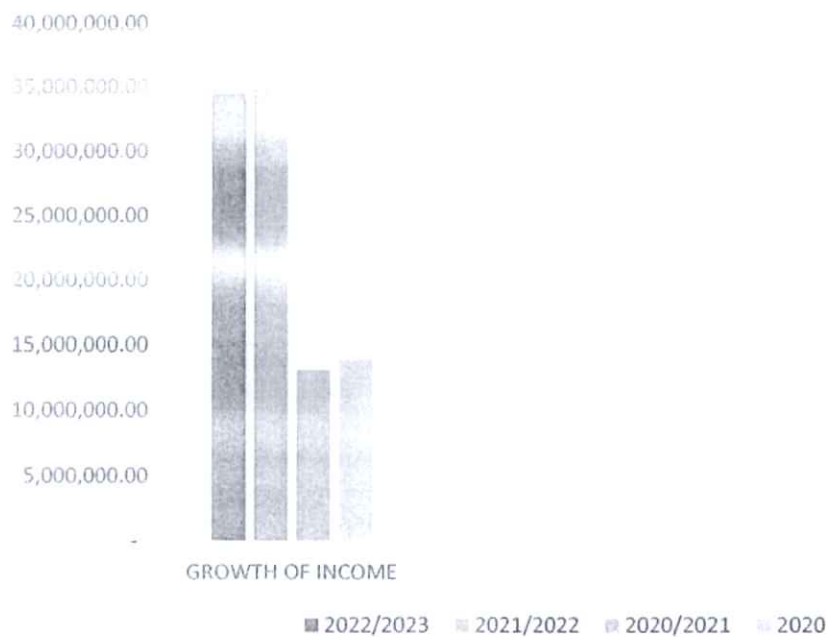
**GRAPHICAL PRESENTATION**



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

S/N	PARTICULARS	YEAR 2022/2023	YEAR 2021/2022	YEAR 2020/2021	YEAR 2020
01	GROWTH OF OTHER INCOME(s)	34,434,169.00	34,781,813.00	13,089,513.00	13,893,487.00
	<b>TOTAL</b>	<b>34,434,169.00</b>	<b>34,781,813.00</b>	<b>13,089,513.00</b>	<b>13,893,487.00</b>

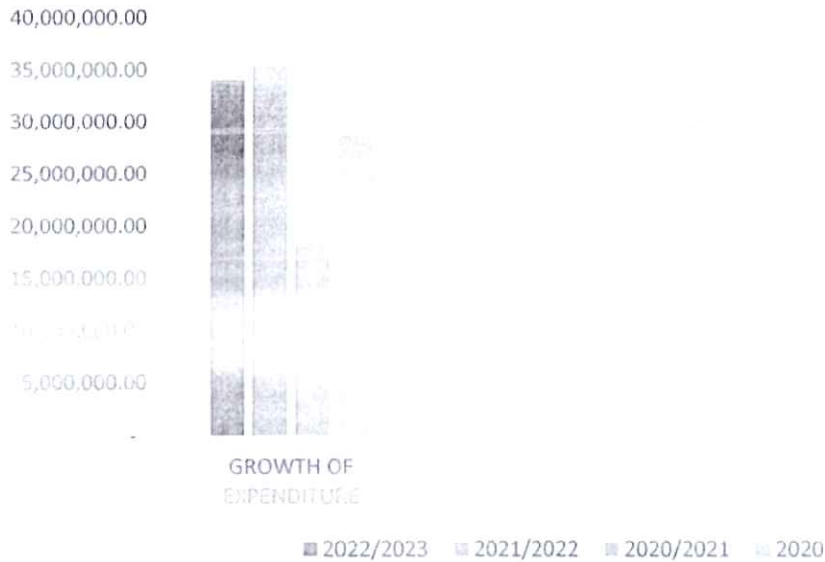
**GRAPHICAL PRESENTATION**



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

PARTICULARS	2022/2023	2021/2022	2020/2021	YEAR 2020
GROWTH IN EXPENDITURE	34,039,002.00	35,385,012.00	18,002,881.00	30,194,574.40

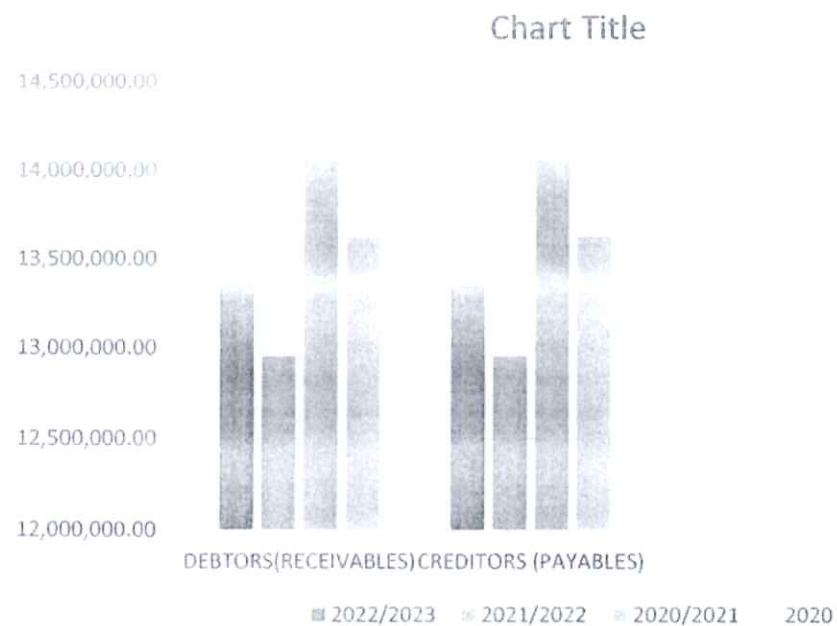
Chart Title



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

SN	PARTICULARS	YEAR 2022/2023	YEAR 2021/2022	YEAR 2020/2021	YEAR 2020
01	DEBTORS (RECEIVABLES)	13,344,600.00	12,950,282.00	14,263,843.00	13,623,048.00
02	CREDITORS (PAYABLES)	13,344,600.00	12,950,282.00	14,263,843.00	13,623,048.00

**GRAPHICAL PRESENTATION**



b) Teacher Student ratio:

DESCRIPTION	YEAR	YEAR	YEAR	YEAR
	2022/2023	2021/2022	2020/2021	2020
ENROLMENT	554	559	509	511
NUMBER OF TEACHERS	28	25	21	22
TEACHERS UNDER TSC	19	18	16	16
TEACHERS UNDER BOM	9	7	5	6
TEACHERS RECRUITED BY TSC DURING THE YEAR	1	0	0	0
RETIRED/DEMISE/TRANSFERED	2	0	0	0

TEACHERS PER SUBJECT	SUBJECT COMBINATION	TSC EMPLOYED	BOM EMPLOYED
1	CRE/GEO	1	0
2	BIO/CHEM	1	1
3	MATHS/PHYSICS	2	1
4	ENG/LIT	4	0
3	AGRI/BIO	1	2
4	KISW/CRE	1	3
3	MATHS/B/STUDIES	3	0
2	HISTORY/CRE	1	1
1	MATHS/CHEM	1	0
1	HISTORY /KISW	1	0
1	KISW/GEO	1	0
1	COMPUTER/B/STUDIES	1	0
2	CHEMISTRY/MATHS	1	1
28		15	9

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL  
P.O.BOX 84-90130, NUNGUNI  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

e) Capacity of the school:

SN	PARTICULARS	YEAR 2022/2023	YEAR 2021/2022	YEAR 2020/2021	YEAR 2020
01	SCHOOL ENROLMENT	554	559	509	511
02	LABORATORIES(science, home science, computer)	3	3	3	3
03	DORMITORIES	1	1	2	3
04	DINNING HALL	1	1	1	1
05	BOREHOLE	0	0	0	0
06	ABULATION BLOCKS	23	23	23	23
07	LAND WITH LEGAL OWNERSHIP	5.7 HA	5.7HA	5.7 HA	5.7 HA
08	FOOD STORE	1	1	1	1
09	MODERN KITCHEN	1	1	1	1
10	ADMINISTRATION BLOCK	1	1	1	1
11	PLASTIC WATER TANKS(10000Ltrs)	11	11	10	9
12	CONCRETE WATER TANKS	2	2	2	2
13	DEPARTMENTAL OFFICES	7	7	6	6
14	DEPUTY PRINCIPALS OFFICE	1	1	1	1
15	SENIOR TEACHERS OFFICE	1	1	1	1
16	CLASS ROOMS	12	12	12	12

e) Capacity of the school:

SN	PARTICULARS	YEAR 2022/2023	YEAR 2021/2022	YEAR 2020/2021	YEAR 2020
01	SCHOOL ENROLMENT	554	559	509	511
02	LABORATORIES(science, home science, computer)	3	3	3	3
03	DORMITORIES	1	1	2	3
04	DINNING HALL	1	1	1	1
05	BOREHOLE	0	0	0	0
06	ABULATION BLOCKS	23	23	23	23
07	LAND WITH LEGAL OWNERSHIP	5.7 HA	5.7HA	5.7 HA	5.7 HA
08	FOOD STORE	1	1	1	1
09	MODERN KITCHEN	1	1	1	1
10	ADMINISTRATION BLOCK	1	1	1	1
11	PLASTIC WATER TANKS(10000Ltrs)	11	11	10	9
12	CONCRETE WATER TANKS	2	2	2	2
13	DEPARTMENTAL OFFICES	7	7	6	6
14	DEPUTY PRINCIPALS OFFICE	1	1	1	1
15	SENIOR TEACHERS OFFICE	1	1	1	1
16	CLASS ROOMS	12	12	12	12

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Storey Dormitory construction- On going project	Repair, maintenance and improvements funds(MOE FUNDS)	Ongoing project	14,957,514.00	11,565,973.00	Year 2025
<b>TOTAL</b>			<b>14,957,514.00</b>	<b>11,565,973.00</b>	

Sign: 

NAME: Mr. Gitonga Paul

Date: 24/07/2024

Principal

Statement of School Management Responsibility

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

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

The Board of Management of **ST THOMAS AQUINAS BOYS THOMEANDU 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, 2023, and of the school's financial position as at that date.

Sign.....

**Name: Dr. Fredrick M. Kasomi**

**Designation:** Chairperson, School Board of Management

**Date: 24/07/2024**

Sign.....

**Name: Mr. Gitonga Paul**

**Designation:** School Principal & Secretary to Board of Management

**Date: 24/07/2024**

Sign.....

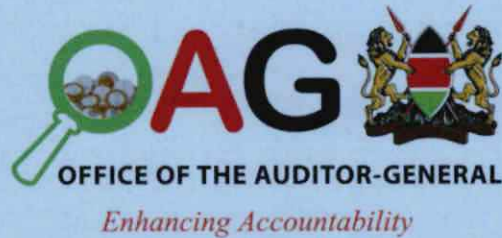
**Name: Mary Muange**

**Designation:** Bursar/ Finance Officer

**Date: 24/07/2024**

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – MAKUENI 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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 St. Thomas Aquinas Boys Thomeandu Secondary School – Makueni County set out on pages 19 to 43, which comprise of the statement of financial assets and financial liabilities as at 30 June 2023, and the statement of receipts and payments, statement of cash flows and statement of

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*Report of the Auditor-General on St. Thomas Aquinas Boys Thomeandu Secondary School for the year ended 30 June, 2023 – Makueni County*

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

In my opinion, except for the 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 St. Thomas Aquinas Boys Thomeandu Secondary School – Makueni County as at 30 June, 2023 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **Un-Supported Account Receivables**

The statement of financial assets and financial liabilities as at 30 June, 2023 reflects accounts receivable balance of Kshs.13,344,600 as disclosed in Note 13 to the financial statements. However, no evidence was provided in support receivables (fee arrears) balance of Kshs.6,559,826 which has been outstanding for over two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivable balance of Kshs.6,559,826 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of budget versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.46,731,100 and Kshs.42,440,909 respectively, resulting to under-collection of Kshs.4,280,191 or 9% of the approved budget. However, the School spent Kshs.41,929,831 against actual receipts of Kshs.42,440,909 resulting to under-utilization of Kshs.511,078.

The under-collection 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.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of previous year, one issue was raised under the report on Financial Statements, and several issues under Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June 2023.

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

The statements of receipts and payments reflects payments for operations amount of Kshs.4,245,999 as disclosed in Note 7 to the financial statements which includes transfers of Kshs.322,000 to Kenya Secondary Schools Heads Association (KESSHA). KESSHA is a welfare organization that is not recognized by the Public Finance Management Act, 2012 and draws its membership from School principals only.

In the circumstances, value for money on funds transferred to KESSHA amounting to Kshs.322,000 could not be confirmed.

#### **2. Long Outstanding Accounts Payables**

The statement of financial assets and liabilities and Note 14 to the financial statements reflects accounts payables balance of Kshs.13,344,600 which includes Kshs.1,642,701 owed to two (2) creditors by the School that has been outstanding for over two (2) years. This was contrary to Section 53(8) of the Public Procurement and Asset

Disposal Act, 2015 which states that an accounting officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in the approved budgets.

In the circumstances, full settlement of the creditors could not be confirmed and the long delay in payments of payables may lead to litigations against the School.

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

During the year under review, Management submitted the financial statements to the Auditor-General on 2 May, 2024 instead of the statutory deadline of 30 September 2023. 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, 2023 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.

### **4. Non – Compliance with Public Sector Accounting Standards Board**

Review of the financial statements revealed that Annex 1 to the financial statements on analysis of pending accounts payables did not have and comparative outstanding balances (2022) and Annex 2 to the financial statements on summary of fixed assets register did not reflect the date the assets were purchased as required by the template issued by the Public Sector Accounting Standards Board.

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 THE 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 governance were not effective.

## **Basis for Conclusion**

### **1. Un-Approved Bank Loan**

The statement of financial assets and liabilities as at 30 June, 2023 reflects accounts payables balance of Kshs.13,344,600 as disclosed in Note 14 to the financial statements. Included in the amount is Kshs.1,968,654 being outstanding bank loan balance from a commercial bank as at 30 June, 2023. The principal loan amount was Kshs.7,000,000 advanced to the School in July, 2021 for construction of a three (3) storey dormitory that was completed and in use at the time of audit in the month of June, 2024 and in addition the loan repayment was up to date. However, Management did not provide for audit, the loan approval documents from the Cabinet Secretary Ministry of Education as required by Ministry of Education circular MOE/CONF/G5 dated 26 November, 2019.

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

### **2. Failure to Maintain Proper Inventory Records**

During the year under review, the School procured inventory including food and non-food items like stationery, maize, beans. However, no proper stores records were maintained as required by Section 162(1) of the Public Procurement and Asset Disposal Act, 2015. Further, no balances were disclosed in the financial statements under other disclosures. The efficiency of internal controls over management of inventory for the School could not be confirmed.

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

### **3. Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.68,197,700 in respect of fixed assets which includes mainly two (2) parcels of land with an estimated value of Kshs.5,360,000 and buildings and structures of Kshs.41,000,000. However, the land was supported by an allotment letter and no valuation report was provided to support the balances.

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 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 its 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the school 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 controls 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 controls 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 policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 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**

**27 November, 2024**

**ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL**  
**P.O.BOX 84-90130, NUNGUNI**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2023

Description Of Vote Head	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	1,512,260.00	1,834,970.00
Government grants for operations	2	4,327,480.00	8,024,713.00
Government Grants for infrastructure	3	2,167,000.00	
School fund income- parents' contributions	4	33,379,869.00	34,604,713.00
Miscellaneous incomes	5	1,054,300.00	177,100.00
<b>Total Receipts</b>		<b>42,440,909.00</b>	<b>44,641,496.00</b>
<b>Payments</b>			
Tuition	6	1,466,875.00	1,827,475.00
Operations	7	4,245,999.00	9,906,203.00
Infrastructure	8	2,177,955.00	
Boarding and school fund	9	34,039,002.00	35,385,012.00
<b>Total Payments</b>		<b>41,929,831.00</b>	<b>47,118,690.00</b>
<b>Surplus/Deficit</b>		<b>511,078.00</b>	<b>(2,477,194.00)</b>

The school financial statements were approved on **24/07/2024** and signed by:

Sign.....  
**Name: Dr. Fredrick M. Kasomi**

Sign.....  
**Name: Mr. Gitonga Paul**

Sign.....  
**Name: Mary Muange**

**Chair BOM**  
**Date: 24/07/2024**

**School Principal/ Secretary to BOM**  
**Date: 24/07/2024**

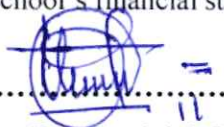
**Bursar/ Finance Officer**  
**Date: 24/07/2024**

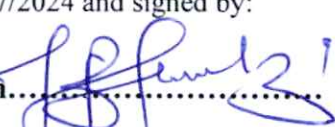
ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL  
P.O.BOX 84-90130, NUNGUNI  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023

Description	Note	2022/2023	2021/2022
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	1,171,837.00	599,678.00
Cash balances	11	4,039.00	65,120.00
Short term investments	12	0.00	0.00
<b>Total cash and cash equivalent</b>		<b>1,175,876.00</b>	<b>664,798.00</b>
Account's receivables	13	13,344,600.00	12,950,282.00
<b>Total financial assets</b>		<b>14,520,476.00</b>	<b>13,615,080.00</b>
<b>Financial liabilities</b>			
Accounts payables	14	13,344,600.00	12,950,282.00
<b>Net financial assets</b>		<b>1,175,876.00</b>	<b>664,798.00</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	664,798.00	3,141,992.00
Surplus/deficit for the year		511,078.00	(2,477,194.00)
<b>Net financial position</b>		<b>1,175,876.00</b>	<b>664,798.00</b>

The school's financial statements were approved on 24/07/2024 and signed by:

Sign.....  
Name: Dr. Fredrick M. Kasomi  
Chair BOM  
Date: 24/07/2024

Sign.....  
Name: Mr. Gitonga Paul  
School Principal/ Secretary to BOM  
Date: 24/07/2024

Sign.....  
Name: Mary Muange  
Bursar/ Finance Officer  
Date: 24/07/2024

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL  
P.O.BOX 84-90130, NUNGUNI  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

7 Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023

Description	Note	2022/2023 Kshs	2021/2022 Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition	1	1,512,260.00	1,834,970.00
Government grants for operations	2	4,327,480.00	8,024,713.00
Government grants for infrastructure	3	2,167,000.00	
School fund income- parents contributions/ fees	4	33,379,869.00	34,604,713.00
Other income	5	1,054,300.00	177,100.00
<b>Total receipts</b>		<b>42,440,909.00</b>	<b>44,641,496.00</b>
<b>Payments</b>			
Cash outflows for tuition	6	1,466,875.00	1,827,475.00
Cash outflows for operations	7	4,245,999.00	9,906,203.00
Cash outflows for infrastructure	8	2,177,955.00	0
Cash outflows Boarding/lunch and school fund payments	9	34,039,002.00	35,385,012.00
<b>Total payments</b>		<b>41,929,831.00</b>	<b>47,118,690.00</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>511,078.00</b>	<b>(2,477,194.00)</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
<b>Net cash inflow/outflows from investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
<b>Net cash inflow/outflow from financing activities</b>		<b>0</b>	<b>0</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>511,078.00</b>	<b>(2,477,194.00)</b>
Cash and cash equivalent at beginning of the FY 2022/2023		664,798.00	3,141,992.00
<b>Cash and cash equivalent at end of the FY 2022/2023</b>		<b>1,175,876.00</b>	<b>664,798.00</b>

The school's financial statements were approved on 24/07/2024 and signed by:

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL  
P.O.BOX 84-90130, NUNGUNI  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

---

Sign..........

Name: Dr. Fredrick M. Kasomi

Chair BOM

Date: 24/07/2024

Sign..........

Name: Mr. Gitonga Paul

School Principal/ Secretary to BOM

Date: 24/07/2024

Sign..........

Name: Mary Muange

Bursar/ Finance Officer

Date: 24/07/2024

Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2023

Receipt/Expense item	Original budget	adjustments	Final budget	Actual on comparable basis	% o utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	1,393,600.00	0	1,393,600.00	1,512,260.00	108%
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	0	0	0	0	
Repairs And Maintenance	3,250,000.00	0	3,250,000.00	2,167,000.00	67%
Local Transport / Travelling	0	0	0	0	
Electricity And Water	0		0	0	
Medical	0	0	0	0	
Smasse	0		0	0	
Administration Costs	0	0	0	0	
Other voteheads(PE, EWC, LTT,ADM)	6,110,000.00		6,110,000.00	3,727,480	61%
Activity	0		0	0	
<i>3) FDSE for infrastructure</i>					

**ST. THOMAS AQUINAS BOYS THOME AND DI SEC. PRIMARY SCHOOL**  
**P.O. BOX 84-90130, NUNGUNI**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Receipt/Expense item	Original budget a	adjustments b	Final budget c=a+b	Actual on comparable basis d	% o utilization e=d/c %
M&I parents' contribution	Kshs	Kshs	Kshs	Kshs	Kshs
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
<b>(4) Fees Charged on Parents</b>					
Personnel emoluments	0		0		
Repairs and maintenance	1,690,000.00		1,690,000.00	1,711,610.00	101%
Local transport / travelling	0		0		
Electricity and water	0		0		
Other voteheads(PE, EWC, LTT,ADM)	9,861,150.00		9,861,150.00	7,486,000.00	76%
Administration costs	0		0		
Activity	0	0	0		
Fee on Boarding Equipment and stores	24,426,350.00	0	24,426,350.00	24,182,259.00	99%
<b>5) Miscellaneous Income</b>					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire				1,054,300.00	
Fee For Hire of Ground and Equipment					

ST. THOMAS AQUINAS BOYS' SECONDARY SCHOOL  
 P.O. BOX 84-01130, NUNG'OMI  
 Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Receipt/Expense item	Original budget		adjustments		Final budget		Actual on comparable basis		% o utilization
	a	Kshs	b	Kshs	c=a+b	Kshs	d	Kshs	
Interest Income									
Income From Any Other Investment									
<b>Total Income</b>		<b>46,731,100.00</b>		<b>0</b>		<b>46,731,100.00</b>		<b>42,440,909.00</b>	<b>91%</b>
<b>(6) Expenditure For Tuition</b>									
Textbooks									
Reference Materials									
Exercise Books									
Laboratory Equipment									
Internal Exams									
Teaching / Learning Materials		1,393,600.00		0		1,393,600.00		1,466,875.00	105%
Chalks									
Exams And Assessment									
Teachers Guides									
Administration Costs									
Bank Charges									
<b>(7) Expenditure For Operations</b>									
Personnel Emoluments									
Service gratuity				0					
Administration Cost				0					
Repairs And Maintenance & Improvements		3,250,000.00				3,250,000.00		2,403,905.00	74%

Receipt/Expense item	Original budget a	adjustments b	Final budget c=a+b	Actual on comparable basis d	% o utilization e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Local Transport / Travelling					
Electricity And Water					
Medical					
Activity Expenses				54,000.00	-100%
smasse					
Other voteheads(PE, EWC, LTT,ADM)	6,110,000.00		6,110,000.00	3,966,049.00	65%
<b>(8) Expenditure For infrastructure</b>					
Construction of Storey classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
<b>(9) Expenditure For school fundlunch/boarding</b>					
Personnel Emoluments					
Service Gratuity				0.00	
Repairs And Maintenance & Improvements	1,690,000.00		1,690,000.00	1,711,610.00	101%
Local Transport / Travelling					
Electricity And Water					

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL  
P.O.BOX 24-90130, NUNGUNI  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Receipt/Expense item	Original budget	adjustments	Final budget	Actual on comparable basis	% o utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Medical Expenses					
Administration Costs				310,225.00	-100%
Activity					
Bank Charges					
Expenses On Income Generating Activities**					
Fee On Boarding Equipment and Stores	24,426,350.00		24,426,350.00	22,182,259.00	91%
Insurance Cost (school bus)				2,474,740.00	-100%
Loan Principal Repayment					
Loan Interest Repayment					
Acquisition Of Assets					
Other vote heads (PE , EWC, LTT,ADM)	9,861,150.00		9,861,150.00	6,610,168.00	67%
<b>Totals</b>	<b>46,731,100.00</b>	<b>0</b>	<b>46,731,100.00</b>	<b>41,929,831.00</b>	<b>90%</b>

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

- i. The FDSE Disbursed was not as per the circular from MOEST of Ksh 22,244.00
- ii. The enrolment for year 2023 declined from 554 students to 521 students as at 30.06.2023

### 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

**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.

**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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**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 accounting 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 2023.

Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	1,512,260.00	1,834,970.00
Others ( <i>specify</i> )*		
<b>Total</b>	<b>1,512,260.00</b>	<b>1,834,970.00</b>

2 Government Grants for Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	2,561,110.00	3,198,603.00
Repairs And Maintenance	600,000.00	2,248,750.00
Local Transport / Travelling	528,650.00	929,607.00
Electricity And Water	428,600.00	867,305.00
Medical	0	0
Smasse	0	92,000.00
Administration Costs	329,000.00	579,918.00
Other votes ( <i>specify</i> )		0
Activity	80,120.00	108,530.00
Medical/insurance	0	0
<b>Total</b>	<b>4,327,480.00</b>	<b>8,024,713.00</b>

3 Government Grants for infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance & Improvement	2,167,000.00	0
Transition infrastructure grants	0	0
Administration Block	0	0
Economic stimulus grants	0	0
Other ( <i>specify</i> )(NGCDF and County govt.	0	0

ST. THOMAS AQUINAS BOYS THOMEANDU SECONDARY SCHOOL  
P.O.BOX 84-90130, NUNGUNI  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Total</b>	<b>2,167,000.00</b>	<b>0</b>

**4 School Fund Income - Parents Contribution/Fees**

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	3,859,200.00	1,900,513.00
Repairs and maintenance	1,711,610.00	1,821,330.00
Local transport / travelling	628,616.00	528,618.00
Electricity and water	1,153,651.00	1,669,843.00
Medical		0
Administration costs	1,534,308.00	1,635,912.00
Activity	310,225.00	121,386.00
Other Voteheads		0
Fee on Boarding Equipment and stores	24,182,259.00	26,927,111.00
PA Levies*(Principal /deputy principal residential house)		0
Others (specify)		0
<b>Total</b>	<b>35,379,869.00</b>	<b>29,095,212.00</b>

**5 Miscellaneous Incomes**

Description	2022/2023	2021/2022
	Kshs	Kshs
Rent Income		
Income From Farming Activities		
Income From Posho Mill		
Income From Bus Hire	1,054,300.00	177,100.00
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest income		
Dividends Income		
Loans/Borrowings*		
Other Income (specify) *		
<b>Total</b>	<b>1,054,300.00</b>	<b>177,100.00</b>

Notes to the Financial Statements (continued)

**6 Tuition**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise Books		
Textbooks		
Reference materials		
Laboratory Equipment		
Teaching / Learning Materials	1,466,875.00	1,827,475.00
Exams And Assessment		
Teachers Guides		
Bank Charges		
Others ( <i>specify</i> )		
<b>Total</b>	<b>1,466,875.00</b>	<b>1,827,475.00</b>

**7 Operations**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	2,793,910.00	2,400,500.00
Service gratuity	132,600.00	624,625.00
Administration Cost	309,690.00	503,000.00
Repairs And Maintenance & Improvements	225,950.00	3,892,097.00
Local Transport / Travelling	320,650.00	378,900.00
Electricity And Water	409,199.00	811,101.00
Medical		
Activity Expenses	54,000.00	101,980.00
smasse		92,000.00
Insurance Cost		
Bank Charges		
Acquisition Of Assets		
	<b>4,245,999.00</b>	<b>9,906,203.00</b>

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Construction of storey Dormitory	2,177,955.00	0
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
<b>Total</b>	<b>2,177,955.00</b>	<b>0</b>

9 Boarding And School Fund

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	3,750,188.00	3,496,474.00
Service Gratuity	0.00	0.00
Repairs And Maintenance & Improvements	1,711,610.00	1,772,632.00
Local Transport / Travelling	599,200.00	521,730.00
Electricity And Water	1,110,759.00	1,208,091.00
Medical Expenses		0.00
Administration Costs	1,150,021.00	1,556,883.00
Activity	310,225.00	26,650.00
Bank Charges		
Expenses On Income Generating Activities**	750,000.00	
Fee On Boarding Equipment and Stores	22,182,259.00	24,125,164.00
Insurance Cost (school bus)		
Loan Principal Repayment	2,474,740.00	2,677,388.00
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Others (specify)		
<b>Total</b>	<b>34,039,002.00</b>	<b>35,385,012.00</b>

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022/2023	2021/2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1206800917	55,208.00	9,823.00
Operations Account	Active	1206801360	85,957.00	3,056.00
School Fund Account/Boarding	Active	0600294155765	219,509.00	568,782.00
Savings Account	N/A		0	0
Parent Association Development Account	N/A		0	0
Income Generating Activities Account	ACTIVE	0600284132391	804,101.00	0
Infrastructural Account	Active	1210824639	7,062.00	18,017.00
<b>Total</b>			<b>1,171,837.00</b>	<b>599,678.00</b>

11 Cash In Hand

Description	2022/2023	2021/2022
	Kshs	Kshs
Notes and Coins	4,039.00	65,120.00
<b>Total</b>	<b>4,039.00</b>	<b>65,120.00</b>

12 Short Term Investments

Description	2022/2023	2021/2022
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
Bus savings account	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Fees Arrears	13,344,600.00	12,950,282.00
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	0	0
Imprest (list/schedule attached)	0	0
Rent arrears (list/schedule attached)	0	0
<b>Total</b>	<b>13,344,600.00</b>	<b>12,950,282.00</b>

13 b Ageing Analysis of Accounts Receivable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	6,784,774.00	51.71%	3,865,267.00	31.69%
Between 1- 2 years	6,559,826.00	48.29%	9,085,015.00	68.31%
Between 2-3 years			0	0%
Over 3 years			0	0%
<b>Total</b>	<b>13,344,600.00</b>	<b>100%</b>	<b>12,950,282.00</b>	<b>100%</b>

14 Accounts Payable

Description	2022/2023	2021/2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	13,344,600.00	12,950,282.00
Prepaid Fees	0	0
Unpaid salaries and statutory deductions	0	0
Caution money	0	0
Other payables ( <i>specify</i> )	0	0
<b>Total</b>	<b>13,344,600.00</b>	<b>12,950,282.00</b>

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	11,701,899.00	83.77%	5,729,894.00	68.72%
Between 1- 2 years	1,642,701.00	16.23%	2,608,168.00	31.28%
Between 2-3 years	0	0%	0.00	0%
Over 3 years	0	0%	0	0%
<b>Total (should tie to note 14)</b>	<b>13,344,600.00</b>	<b>100%</b>	<b>8,375,862.00</b>	<b>100%</b>

15. Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Balances	599,678.00	3,132,422.00
Cash Balances	65,120.00	9570.00
Short Term Investments	-	-
Receivables	12,950,282.00	14,263,643.00
Payables	(12,950,282.00)	(14,263,643.00)
<b>Total</b>	<b>664,798.00</b>	<b>3,141,992.00</b>

### Other important disclosure notes

IPSAS Cash Standard 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.

#### 16 Non-current Liabilities Summary

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### 17 Biological assets

Description	Numbers	2022/2023	2021/2022
Cattle	2	130,000.00	70,000.00
Goats	0	0	
Trees	30,000	3,690,000.00	3,690,000.00
Coffee Or Tea Plantation	0	0	
Poultry	147	514,500.00	40,000.00
Others (specify)- Pigs	56	252,000.00	45,000.00
<b>Total</b>	<b>30,205.00</b>	<b>4,596,500.00</b>	<b>3,845,000.00</b>

#### 18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
<b>Balance at the end of the year</b>	<b>0</b>	<b>0</b>

**Other important disclosure notes**

**19 Stock/ Inventory**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Food stuffs	316,656.00	268,551.00
Lab consumables	103,850.00	0
Farm produce	0	0
Medication	0	0
Construction Materials	9,150.00	0
Others (specify)	<b>0</b>	<b>0</b>
	<b>429,656.00</b>	<b>268,551.00</b>

## 20 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)
1.	<b>Variance in budget figures</b> The statement of budgeted versus actual amounts on page 5 to 9 of the financial statements for the period ended 30 <sup>th</sup> June 2023 reflects a budgeted amount of Kshs. 43,216,626.00 while the availed approved budget for audit review indicated Kshs.46,731,100 resulting to unexplained variance of Kshs. 3,514,474	The management has made the necessary adjustments to the financial statements and balances reconciled to reflect the accurate amounts	Resolved	Done
2.	<b>Unsupported receivables</b> The statement of financial assets and liabilities as at 30 <sup>th</sup> June 2023 reflect accounts receivable of 13,344,600.00 as disclosed in note 13 to the financial statements. However no evidence was provided to support the fees arrears balance of Kshs. 6,559,826.00 could not be confirmed.	These are students who left form 4 with balances and we are still compiling the list	Nor resolved	2 months

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3	<p><b>Accuracy in enrolment data</b>  Examination of documents related to the schools data in the National Education Management System (NEMIS) and school records relating to the enrolment at the time of disbursement of capitation by the Ministry of education. Sampled records for July 2022 revealed that the physical class registers at the school had a total of 578 students while NEMIS reflected a total of 575 students resulting in a variance of 3 students  Similarly, in September 2022, NEMIS reported a total of 579 students while the physical class registers had a total of 572 students resulting in variance of 7 students. further in January 2023 NEMIS reported a total of 577 students while the physical class registers had a total of 572 students resulting in a variance of 5 students</p>	The management has noted the irregularities and NEMIS records have been resolved	Resolved	Done
4.	<p><b>Irregular of transfer of funds to Kenya Secondary School Heads Association</b>  The statement of receipts and payments reflects payments for operations of 4,245,999.00 which include transfers of Kshs. 322,000.00 to Kenya secondary school heads association (KESSHA) Kilungu and Makueni for school activities. The funds were disbursed from Government operation capitation grants received by the school during the year under review. KESSHA is a welfare organization that is not recognized by the public finance management act, 2012 and draws its membership from schools principals only</p>	All funds relating to activities (ball games, athletics and science fair) are paid to KESSHA to facilitate the activities from zonal level to county level. The issue of transfer without approval has been raised to KESSHA and MOE and we are waiting for their response	Not resolved	Seven months

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3	<p><b>Gratuity underpayment to a retired security guard</b>  Note 7 to the financial statements reflects payments which includes gratuity payment of Kshs 132,600.00 to a security guard who retired in January after 12.2 years of service. However, the basic salary used to compute the gratuity paid was Kshs. 11,050.00 instead of 13,229.00 as per the confirmation letter dated 06<sup>th</sup> April 2017 leading to an underpayment of Kshs. 28,794.00</p>	<p>The appointment letter for laboratory assistant dated 6<sup>th</sup> April 2017 was not well explained. The stated salary in the letter of Kshs. 8,198.00 p.m was gross salary and not basic salary. The appointment letter was dated back to 14/10/2010 but salary indicated was not dated back ( was as at April 2017)  The basic salary which was used to calculate service gratuity at the time of retirement (December 2023) was 11,050.00. as per the pay slip</p>	Resolved	Done
6	<p><b>Un approved bank loan balance of 1,968,654.00</b>  The statement of financial assets and liabilities as at 30 June 2023 reflects accounts payable balance of kshs. 13,344,600.00 as disclosed in note 14 to the financial statements. Included in this amount is kshs 1,968,654.00 being outstanding bank loan balance from equity bank as at 30<sup>th</sup> June 2023. The principal loan amount was 7,000,000 advanced to the school in July 2021 for construction of a three storey dormitory that was complete and in use at the time of audit in the month of June 2024. In addition the loan repayment was up to date. However management did not provide for review, the loan approval documents from the cabinet secretary Ministry of Education as required by ministry of education circular MOE/CONF/G5 dated 26<sup>th</sup> November 2019</p>	<p>The management has noted the irregularity and in future approvals will be sought as per the requirements.</p>	Resolved	Done

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7	<p><b>Failure to maintain proper inventory records</b>          During the year under review the school procured inventory including food and non- food items like stationery, maize beans. However no proper stores records were maintained as required by section 162(1) of the public procurement and asset disposal act 2015. Further no balances were disclosed in the financial statements under review</p>	<p>The stock/ inventory records were not availed during audit but the management has availed them.</p>	<p>Resolved</p>	<p>Done</p>
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Sign:   
 Name: **Mr. Gitonga Paul**  
 Date: **24/07/2024**  
 Principal

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3 Annexes

**Annex I – Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance Comparative 2021/2022	Comment
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Supply Of Goods</b>						
1. Kilmilu Wambua	5,196,300.00	01.07.2022	0	5,196,300.00	0	
2. Katua Itumange	187,070.00	24.01.2023	0	187,070.00	0	
3. Emmau cereals & farm care	233,600.00	01.07.2021	0	233,600.00	0	
4. Suriya Global Solutions	168,500.00	02.06.2021	0	168,500.00	0	
5. Dajohn Enterprises	100,000.00	10.01.2021	0	100,000.00	0	
5. Penka Suppliers	1,221,800.00	01.07.2022	0	1,221,800.00	0	
7. Kenblest foods limited	169,918.00	01.05.2023	0	169,918.00	0	
3. Victor Mwaka	16,000.00	20.4.2023	0	16,000.00	0	
9. Arbanus Mutuku	18,600.00	01.03.2023	0	18,600.00	0	
10. Comnetie Agencies	32,200.00	01.02.2023	0	32,200.00	0	
11. Kingsmidia Technical Enterprises	166,900.00	01.05.2023	0	166,900.00	0	
12. Smart Shalom printers	295,340.00	01.05.2023	0	295,340.00	0	
13. Brigepe Sela	26,900.00	20.03.2023	0	26,900.00	0	
14. Subco co ltd	22,980.00	14.10.2023	0	22,980.00	0	
15. East Kenya	765,000.00	24.01.2023	0	765,000.00	0	
16. Kahna Lab Supplies	100,000.00	07.01.2021	0	100,000.00	0	
17. Kimilu Wambua	841,000.00	10.05.2021	0	841,000.00	0	
18. Nunguni Hardware	125,950.00	01.02.2023	0	125,950.00	0	
19. Sammy Mwinzi	100,000.00	10.04.2023	0	100,000.00	0	
20. Bankloan	3,391,541.00			3,391,541.00	0	
<b>Grand Total</b>	<b>9,918,458.00</b>		<b>0</b>	<b>13,344,600.00</b>	<b>0</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 2021	Additions during the year (Kshs)	Disposals/De pereziations during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
Land 1	1963		4,160,000.00	600,000.00		4,760,000.00
Land 2	1963		500,000.00	50,000.00		600,000.00
Buildings and structures			41,000,000.00			41,000,000.00
Motor vehicles			3,450,000.00		950,000.00	2,500,000.00
Office equipment, furniture and fittings			8,219,200.00	280,000.00		8,499,200.00
ICT Equipment, and Other ICT Assets			1,518,000.00			1,518,000.00
Tools and apparatus			11,500.00			11,500.00
Textbooks			7,771,400.00	181,600.00		7,953,000.00
Other Machinery and Equipment-			1,253,000.00			1,253,000.00
Heritage and cultural assets						
Intangible assets-soft ware			103,000.00		-	103,000.00
<b>Total</b>			<b>67,986,100.00</b>			<b>68,197,700.00</b>

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