

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
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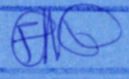
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REPORT

BY:

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WHIP

CLERK-AT
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OF

FINLAT 

THE AUDITOR-GENERAL

ON

MAHIGA GIRLS SECONDARY SCHOOL

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

NYERI COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
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**MAHIGA GIRLS' SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

**MAHIGA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

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**MAHIGA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in **August (19)1992** under registration number **GP/A/243/92** and is currently categorized as a **Extra County** public school established, owned or operated by the Government.

The school is a boarding school and had **1181** and **928 (exclusive 2020 candidates who had done KCSE)** number of students as at 30th April 2021 and 30th June 2021 respectively. It has **5** streams in **form 2 to 4**, **6 streams in form 1** and **39** teachers of which **2** 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. Charles Wahome	Chairman - sponsor	19/01/2019
2	Mrs. Franciscar Wahome	Secretary - Principal	19/01/2019
3	Mr. David Njuguna	Sponsor	19/01/2019
4	Mr. Samuel Kihara	Special Needs	19/01/2019
5	Mr. Joseph Gathuo	Local Community	19/01/2019
6	Mrs. Teresa Thiong'o	Sponsor	19/01/2019
7	Mr. Joel Kireru	Local Community	19/01/2019
8	Miss Ann Asugah	CEB	19/01/2019
9	Mr. Peter Mwangi	Special Interest	19/01/2019
10	Mr. James Wanene	Local Community	19/01/2019
11	Mrs. Irene Wagura	Local Community	19/01/2019
12	Mr. Paul Kahoro	Co-opted	19/01/2019
13	Mr. Peter Mwai	Local Community	19/01/2019
14	Miss Eunice Ndiritu	Co-opted	19/01/2019
15	Ms Margins Weru	Local Community	19/01/2019
16	Mr. Apollo Maina	Co-opted	19/01/2019
17	Mrs. Grace Lorna	Rep – Students	19/01/2019
18	Mr. John Kihara	Rep- Teachers	19/01/2019

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of Students 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	Charles Wahome Franciscar Wahome David Njuguna Teresa Thiong'o	Chairman Secretary Member Member	3
2	Audit Committee			-
3	Finance, procurement and general purposes Committee	Charles Wahome David Njuguna Franciscar Wahome Peter Mwangi Joseph Gathuo	Chairman Secretary Member Member Member	-
4	Academic Committee	Margins Weru Paul Kahoro Teresa Thiong'o James Wanene Joyce Murage	Chairperson Secretary Member Member Member	-
5	Development Committee	David Njuguna Peter Mwai Joel Kireru Apollo Maina Eunice Ndiritu	Chairman Secretary Member Member Member	-
6	Discipline and welfare Committee	Samuel Kihara Ann Asugar Irene Wagura Teresa Wanderi Franciscar Wahome	Chairman Secretary Member Member Member	-

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mrs. Franciscar Wahome	351221
2	Deputy Principal	Mrs. Joyce Murage	352239
3	Deputy Principal	Mrs. Jane Ndungu	380153
4	Deputy Principal	Miss. Teresa Wanderi	501384
5	School Bursar	Mr. John Ndirangu	ID 8813325

**MAHIGA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**
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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 322-10106; Othaya
Telephone: 0202066615
E-mail: mahigagirls@gmail.com
Website: -
Facebook: - :
Twitter: -

(f) School Bankers

The school operated 5 number of bank accounts in the following banks:

NO	BANK	BRANCH	ACCOUNT NO	NAME AND PURPOSE OF ACCOUNT
1.	KCB	Othaya	1101539070	Development A/C for fees collection
2.	KCB	Othaya	1101565373	Operation A/C FDSE
3.	KCB	Othaya	1101543930	Tuition A/C FDSE
4.	Equity	Othaya	0080262295961	Farm A/C for income generating activities
5.	Taifa Sacco	Othaya	40100607501	Farm revenue collection A/C

(g) Independent Auditors

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

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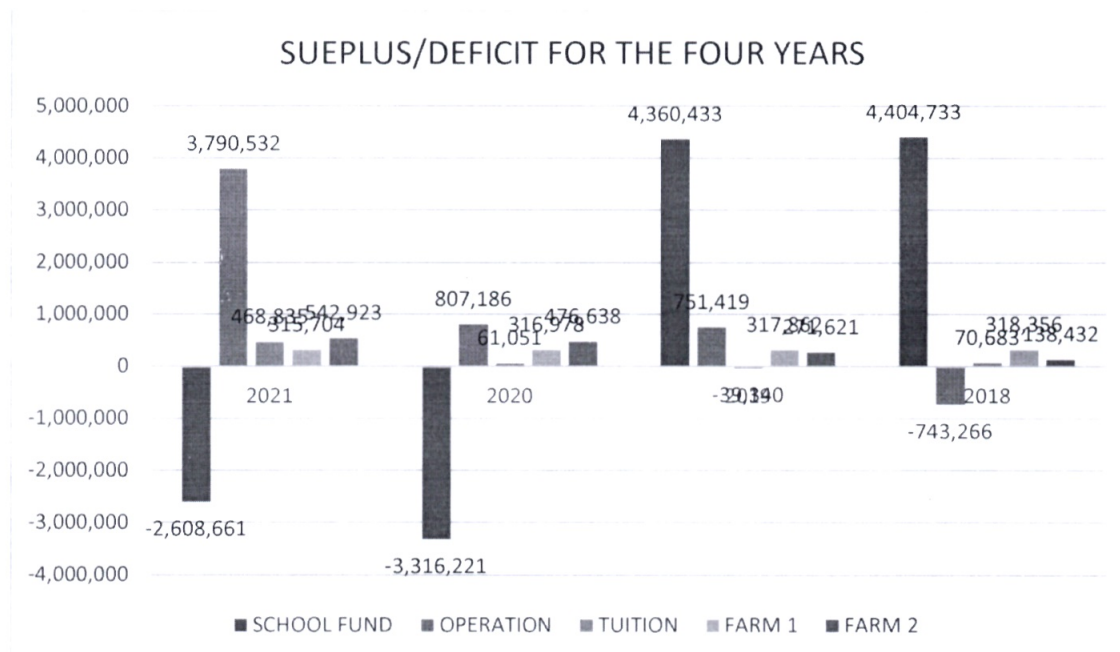
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2018 to 31st December 2020 which covers a period of 12 months while 1st 2021 to 30th June 2021 covers a period of 6 months and is summarised as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS					
SNO	ACCOUNTS	2021 (6 months)	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	(2,608,661)	(3,316,222)	4,360,433	4,404,733
2	Operations Account	3,790,532	807,187	751,420	(743,266)
3	Tuition Account	468,836	61,051	(39,340)	70,684
4	Farm Account 1	315,705	316,978	317,862	318,357
5	Farm Account 2	542,924	476,639	271,622	138,432
	TOTAL	2,509,361	(1,654,367)	5,661,996	4,188,940
	Increase/Decrease	4,163,728	(7,316,363)	1,473,056	0



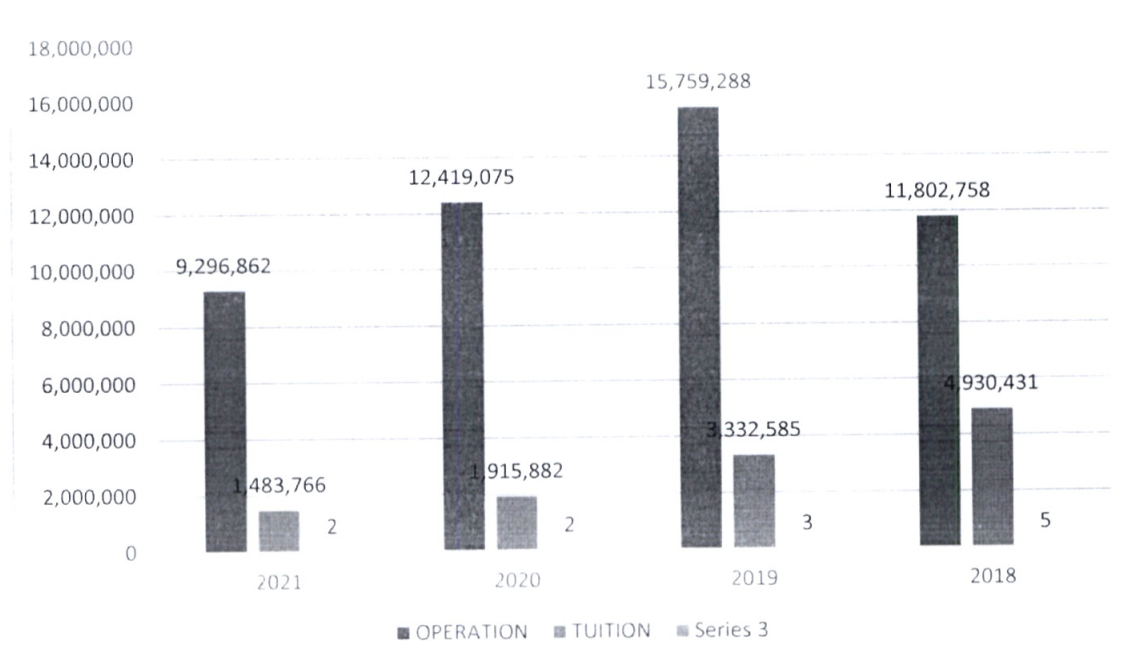
The increase and decrease variances is brought by different yearly activities.

**MAHIGA GIRLS SECONDARY SCHOOL
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SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021 (6 MONTHS)	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	9,296,862	12,419,075	15,759,288	11,802,758
2	Tuition Account	1,483,767	1,915,882	3,332,585	4,930,431
	Total	24,134,529	14,334,957	19,091,873	16,733,189
	Increase/Decrease	9,799,572	(4,756,916)	2,358,684	0
	No of Students	1140	1035	1030	989
	Ratio of Capitation per student	1:9453.4	1:13850.2	1:18535.8	1:16919.3

CAPITATION GRANTS FROM THE MINISTRY

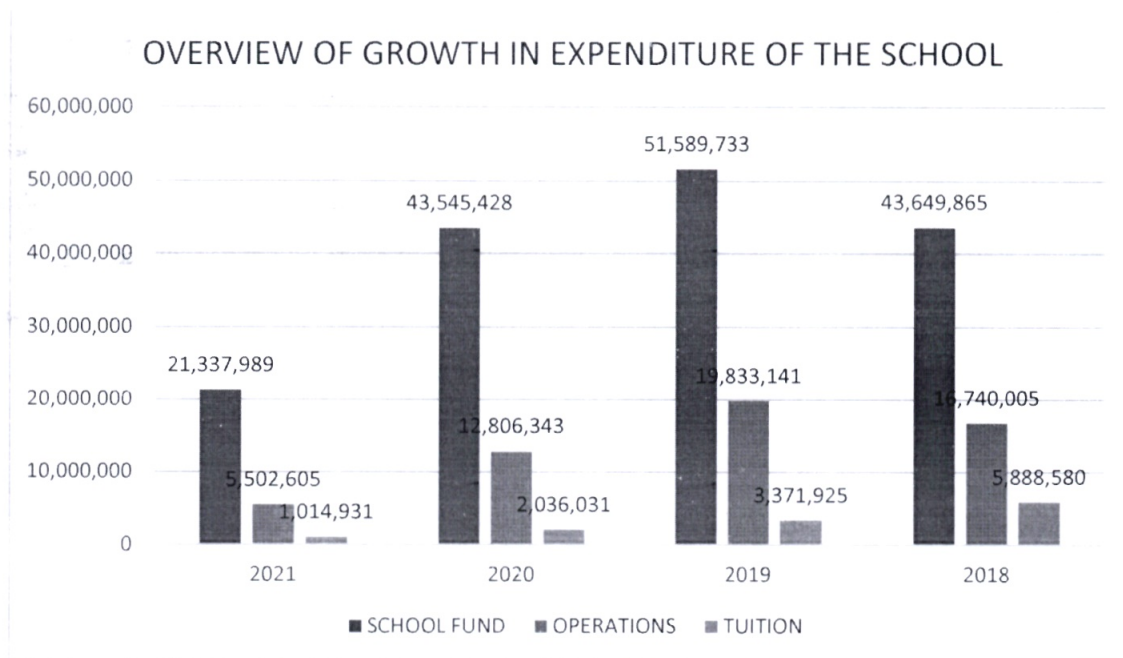


The decrease in 2020 is due school long break over the covid

**MAHIGA GIRLS SECONDARY SCHOOL
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For the year ended 30th June 2021**

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021 (6months)	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	21,337,989	43,545,428	51,589,733	43,649,865
2	Operations Account	5,502,605	12,806,343	19,833,141	16,740,005
3	Tuition Account	1,014,931	2,036,031	3,371,925	5,888,580
	Total	27,855,526	58,387,803	71,422,874	66,278,450
	Increase/Decrease	(30,532,277)	(13,035,071)	5,144,424	0

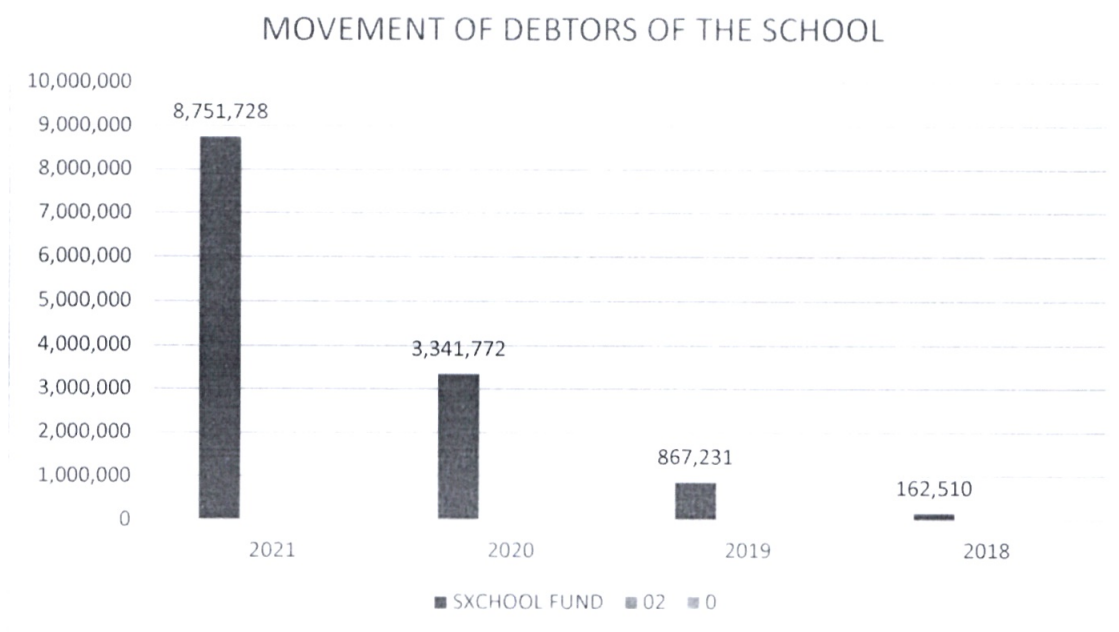


The decrease in 2020 was due to school long break over covid and 2021 was only 6 months.

**MAHIGA GIRLS SECONDARY SCHOOL
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SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

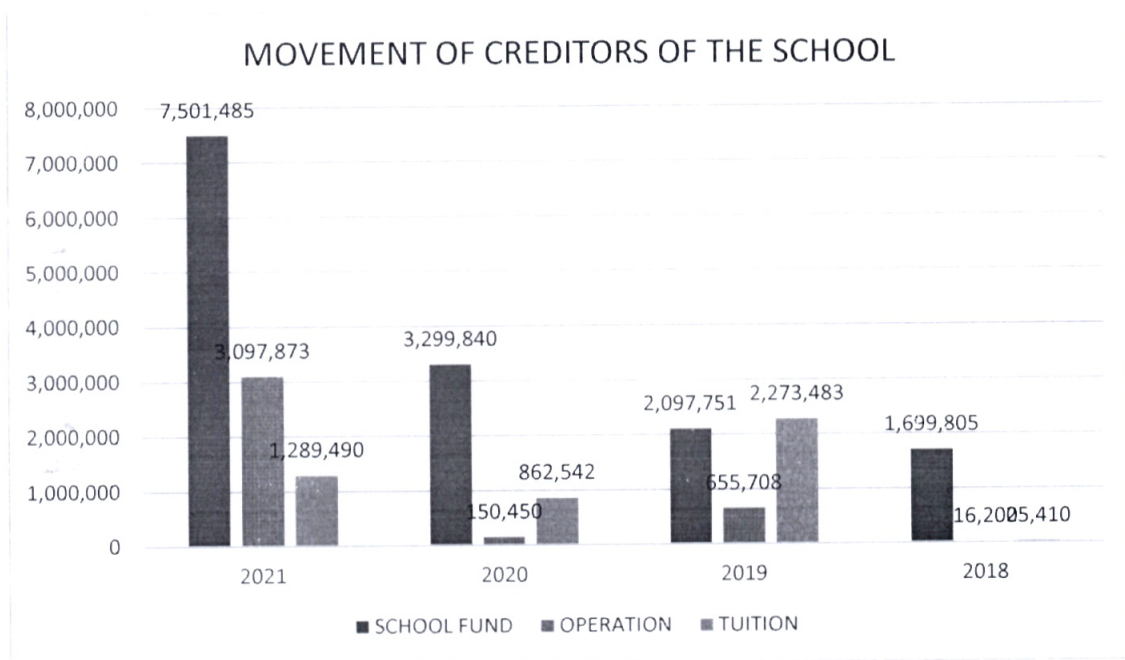
MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2021 (6 months)	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	8,751,728	3,341,772	867,231.00	162,510.00
	Total	8,751,728	3,341,772	867,231.00	162,510.00
	Increase/Decrease	5,409,956	2,474,541	704,721.00	0



The trend is brought by failure to pay school fees in good time.

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MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS.	KSHS.	KSHS.	KSHS.
1	School Fund Account	7,501,485	3,299,840	2,097,751	1,699,805
2	Operation Account	3,097,873	150,450	655,708	16,200
3	Tuition Account	1,289,490	862,542	2,273,483	25,410
	Total	11,888,848	4,312,832	5,026,942	1,741,415
	Increase/Decrease	7,576,016	(714,110)	3,285,527	0



The trend here is mainly brought by late submission of invoices and sometimes lack of enough fund.

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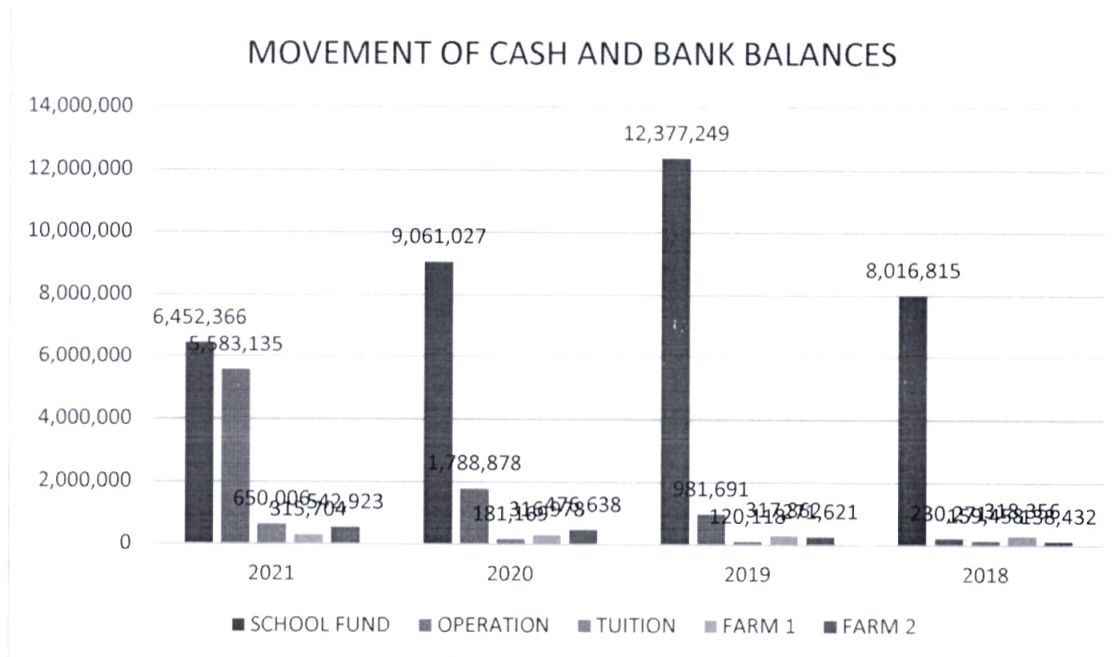
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		KSHS.	KSHS.
Receipts for operating income			
Capitation grants for tuition	1	1,483,767	2,097,082
Capitation grants for operations	2	9,296,863	12,695,075
School fund income –Parents contributions/fees	3/4	18,729,328.00	36,311,649
Total receipts		29,509,958	51,103,806
Payments			
Payments for Tuition	5	1,014,931	2,036,031
Payments for Operation	6	5,502,605	11,887,888
Boarding and school fund payment	7	21,337,989	39,627,870
Total payments		27,855,525	53,551,789
Net cash flow from operating activities		1,654,433	(2,447,983)

**MAHIGA GIRLS SECONDARY SCHOOL
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SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	6,452,366	9,061,027	12,377,249	8,016,815
2	Operations Account	5,583,135	1,788,878	981,692	230,272
3	Tuition Account	650,006	181,170	120,119	159,459
4	Farm Account	315,705	316,978	317,862	318,357
5	Farm Account	542,924	476,639	271,622	138,432
	Total	13,544,136	11,824,692	14,068,544	8,863,335
	Increase/Decrease	1,719,444	(2,243,852)	5,205,207	0



The trend depends on yearly expenses

**MAHIGA GIRLS SECONDARY SCHOOL
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b) Teacher Student ratio:

Between the month the month January 2021 and June 2021, the status of the teaching staff is as follows:

There are 37 teachers posted by the Teachers Service Commission and 2 recruited by the Board of Management. The teacher student ratio lies at 1: 30.

c) Mean score in the year 2018, 2019 and 2020 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2020	253	8.55	233	92.094	9.2	Good
2019	210	8.047	166	79.047	9.2	Fairly Done
2018	203	8.014	173	85.22	9.00	Fairly Done

d) Number of Candidates in the 2018, 2019 and 2020 KCSE:

YEAR	ENROLMENT
2020	253
2019	210
2018	203

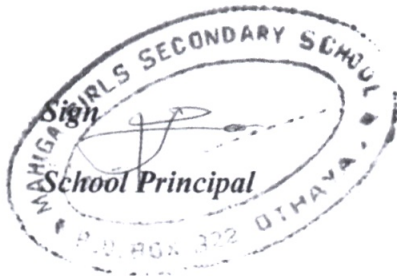
e) Capacity of the school

ENROLMENT	DINNING HALL	DORMITORIES	LABORATORIES	TOILETS	BATHROOMS
367	1	10	8	105	74

**MAHIGA GIRLS SECONDARY SCHOOL
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f) Development projects carried out by the school:

SNO	PROJECT	YEAR	STATUS	AMOUNT	FUND SOURCE
1	Completion of 3 storey student dormitories	2019-2020	completed	24,059,844	Maintenance & Improvement from GOK and Parents
2	Completion of 3 storey Science Laboratory	2020-2021	completed	33,938,645	Maintenance & Improvement from GOK and Parents



**MAHIGA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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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 Mahiga Girls Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

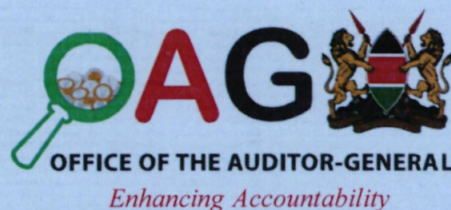
Name: Steve Githuho Githuho Ebe Njiru
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 10/03/2022

Name: M. F. Wabwire
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 10/03/2022

Name: JOHN N. KINYUA
Designation: Bursar/ Finance Officer
Sign: [Signature]
Date: 10/03/2022

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON MAHIGA GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 - NYERI COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the 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 Mahiga Girls Secondary School - Nyeri County set out on pages 17 to 33, which comprise of the statement of financial

Report of the Auditor-General on Mahiga Girls Secondary School for the Six (6) Months period ended 30 June, 2021- Nyeri County

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget versus actual amount for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mahiga Girls Secondary School - Nyeri County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,483,767 and Kshs.9,296,863, respectively and as disclosed in Note 1 and Note 2 to the financial statements. However, review of records provided for audit revealed that there were discrepancies between the data held by the National Education Management Information System (NEMIS) and the School records relating to the enrolment of students.

During the financial year 2020/2021, the NEMIS reported a total of 1,137 students while the enrolment records provided by the School indicated a total of 1,245 students, resulting to an unexplained variance of 108 students outside the NEMIS system. As a result of the variance, the school was underfunded by Kshs.1,604,052 during the year under review.

In the circumstances, the accuracy of the student's enrolment data and hence the capitation grants for tuition and operations of Kshs.1,483,767 and Kshs.9,296,863, respectively could not be confirmed.

2. Unsupported Accounts Receivables

The statement of assets and liabilities reflects account receivables balance of Kshs.8,751,728 as disclosed in Note 11 to the financial statements. The balance includes Kshs.8,708,128 in respect to students' fees arrears which was not supported with ledger showing the name, admission number, class, balance brought forward, amount billed and paid during the year. Further, the arrears include an amount of Kshs.901,455 that has been outstanding for over two (2) years. Management has not demonstrated any measures put in place to recover the outstanding students' debts.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.8,751,728 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Mahiga Girls Secondary School - Nyeri County 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

Review of documents revealed that the School transferred co-curricular funds totaling Kshs.150,300 to Kenya Secondary School Heads Association (KESSHA) which is a private entity that is not subject to the Public Finance Management Act, 2012 without authority or law governing such payments. The funds were wired from Government operation capitation grants account. The transfer to KESSHA is not supported by any legal framework since it's a welfare organization that draws its membership from Schools Principals only.

This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems'.

In the circumstances, the validity of the transfer Kshs. 150,300 could not be confirmed and the expenditure was not a proper charge to public funds.

2. Late Submission of Financial Statements to the Auditor-General

The financial statements for the year 2020/2021 were submitted on 15 February, 2023 to the Auditor-General and not on the statutory date of 30 September, 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Ownership Documents

Review of documents revealed that the School occupies twenty-two (22) acres of land without the requisite ownership documents. In absence of these legal documents, the authentic ownership of the parcel of land could not be confirmed.

In the circumstances, the ownership and safe custody of 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of 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 control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

17 September, 2024

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,483,767	2,097,082
Capitation grants for operations	2	9,296,863	12,695,075
School Fund Income- Parents' Contributions	3	5,383,585	11,878,307
School Fund Income- Other receipts	4	13,345,743	24,433,342
Proceeds from borrowings		-	-
TOTAL RECEIPTS		29,509,958	51,103,806
PAYMENTS			
Payments for Tuition	5	1,014,931	2,036,031
Payments for operations	6	5,502,605	11,887,888
Boarding and school fund payments	7	21,337,989	39,627,870
TOTAL PAYMENTS		27,855,525	53,551,789
SURPLUS/DEFICIT		1,654,433	(2,447,983)

The school financial statements were approved on 10TH March 2022 and signed by:

Sign: [Signature]

Name SIMON GICHUKI GICHUKI
EGB, MBO

Chair BOM

Date 10/03/2022

Sign [Signature]

Name MRS F. WAKUNA

School Principal/
Secretary to BOM

Date 10/03/2022

Sign [Signature]

Name JOHN NI KINYUA

Bursar/
Finance Officer

Date 10/03/2022

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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	12,810,311	11,678,089
Cash Balances	9	733,824	146,603
Short term Investment	10	-	-
Total Cash and cash equivalent		<u>13,544,135</u>	<u>11,824,692</u>
Account's receivables	11	8,751,728	3,341,772
TOTAL FINANCIAL ASSETS		22,295,863	15,166,464
FINANCIAL LIABILITIES			
Accounts Payables	12	(14,943,850)	(9,533,895)
NET FINANCIAL ASSETS		7,352,013	5,632,569
REPRESENTED BY			
Accumulated Fund b/fwd	13	5,697,581	8,080,553
Surplus/Deficit for the year		1,654,433	(2,447,982)
NET FINANCIAL POSSITION		7,352,014	5,632,569

The School's financial statements were approved on 10TH March 2022 and signed by:

Name: STANLEY GILBERT
Chairman, BoM
Sign: [Signature]
Date: 10/3/2022

Name: JOHN N. KANUNU
School Principal/Secretary
to BoM
Sign: [Signature]
Date: 10/03/2022

Name: JOHN N. KANUNU
Bursar/Finance
Sign: [Signature]
Date: 10/03/2022

**MAHIGA GIRLS SECONDARY SCHOOL
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,483,767	2,097,082
Capitation grants for operations	2	9,296,863	12,695,075
School fund income- Parents contributions/ fees	3	5,383,585	11,878,307
School fund income- other receipts	4	13,345,743	24,433,342
Total receipts		29,509,958	51,103,806
Payments			
Payments for Tuition	5	1,014,931	2,036,031
Payments for operations	6	5,502,605	11,887,888
Boarding and school fund payments	7	21,337,989	39,627,870
Total payments		27,855,525	53,551,789
Net cash flow from operating activities		1,654,433	(2,447,983)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments		65,012	
Purchase of investments			
Net cash flows from Investing Activities		65,012	
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,719,445	(2,447,983)
Cash and cash equivalent at BEGINNING of the year		11,031,075	13,479,058
Cash and cash equivalent at END of the year		12,750,520	11,031,075

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH 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
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Tuition	4,876,200	-	4,876,200	1,483,767	3,392,433	30%
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials						
Chalks						
Exams and assessment						
Teachers guides						
Sub-Total	4,876,200	-	4,876,200	1,483,767	3,392,433	30%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	3,654,450	-	3,654,450	2,901,269	753,180	79%
Repairs and maintenance	6,300,000	-	6,300,000	4,265,250	2,034,750	68%
Local transport / travelling	1,234,800	-	1,234,800	796,500	438,300	65%
Electricity and water	2,123,100	-	2,123,100	857,675	1,265,425	40%
Medical	2,100,000	-	2,100,000	-	2,100,000	-
Administration costs	1,059,450	-	1,059,450	476,168	583,282	45%
Activity	1,575,000	-	1,575,000	-	1,575,000	-
Gratuity	223,200	-	223,200	-	223,200	-
Sub-Total	18,270,000	-	18,270,000	9,296,863	8,973,137	51%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	3,654,450	-	3,654,450	1,166,600	2,487,850	32%
Repairs and maintenance	2,100,000	-	2,100,000	812,165	1,287,835	39%
Local transport / travelling	840,000	-	840,000	261,550	578,450	31%
Electricity and water	6,300,000	-	6,300,000	2,269,970	4,030,030	36%
Medical	-	-	-	-	-	-
Administration costs	2,205,000	-	2,205,000	787,550	1,417,450	36%
Activity	262,500	-	262,500	85,750	176,750	33%
SMASSE	-	-	-	-	-	-
Fee on Boarding Equipment and Stores	26,654,250	-	26,654,250	9,410,400	17,243,850	35%
OTHER INCOME						
Rent income	389,400	-	389,400	112,100	277,300	29%
Income from farming activities	2,795,188	-	2,795,188	1,130,350	1,664,838	40%
Gratuity	567,058	-	567,058	-	567,058	-
Debtors	-	-	-	2,440,317	(2,440,317)	-
Tuition	-	-	-	73,385	(73,385)	-
Donation	-	-	-	285	(285)	-
Tender	-	-	-	2,000	(2,000)	-
IRD Cheque	-	-	-	28,800	(28,800)	-
Pocket Money	-	-	-	148,106	(148,106)	-
Sub-Total	45,767,846	-	45,767,846	18,729,328	27,038,518	41%
TOTAL INCOME	68,914,046		68,914,046	29,509,958	39,404,088	43%
(1) EXPENDITURE FOR TUITION						

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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
Tuition	4,876,200	-	4,876,200	1,014,931	3,861,269	21%
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials						
Chalks						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges						
Sub-Total	4,876,200	-	4,876,200	1,014,931	3,861,269	21%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	3,654,450	-	3,654,450	1,732,601	1,921,849	47%
Repairs, maintenance & improvements	6,300,000	-	6,300,000	2,522,020	3,777,980	40%
Local transport / travelling	1,234,800	-	1,234,800	301,065	933,735	24%
Electricity, water and conservancy	2,123,100	-	2,123,100	567,529	1,555,571	27%
Medical	2,100,000	-	2,100,000	-	2,100,000	-
Administration costs	1,059,450	-	1,059,450	138,185	921,265	13%
Activity Expenses	1,575,000	-	1,575,000	-	1,575,000	-
Gratuity	223,200	-	223,200	-	223,200	-
Boarding Equipment and Stores	-	-	-	139,148	(139,148)	-
Creditors	-	-	-	98,300	(98,300)	-
Bank Charges	-	-	-	3,757	(3,757)	-

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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
Sub-Total	18,270,000	-	18,270,000	5,502,605	12,767,395	30%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	3,654,450	-	3,654,450	1,269,591	2,384,859	35%
Repairs, maintenance and improvements	2,100,000	-	2,100,000	1,201,110	898,890	57%
Local transport / travelling	840,000	-	840,000	711,362	128,638	85%
Electricity, water and conservancy	6,300,000	-	6,300,000	47,365	6,252,635	1%
Medical Expenses	-	-	-	-	-	-
Administration costs	2,205,000	-	2,205,000	494,769	1,710,231	22%
Activity	262,500	-	262,500	87,550	174,950	33%
Gratuity	567,058	-	567,058	-	567,058	-
Boarding Equipment and Stores	26,654,250	-	26,654,250	14,710,492	11,943,758	55%
Rent Expenses	389,400	-	389,400	-	389,400	-
Expenditure for Income Generating Activity	2,795,188	-	2,795,188	713,135	2,082,053	26%
Insurance costs	-	-	-	-	-	-
Creditors	-	-	-	137,300	(137,300)	-
Tuition	-	-	-	1,760,015	(1,760,015)	-
Pocket	-	-	-	205,300	(205,300)	-
Loan Principal Repayment	-	-	-	-	-	-
Sub-Total	45,767,846	-	45,767,846	21,337,989	24,429,857	47%
TOTALS	68,914,046	-	68,914,046	27,855,525	41,058,521	38%

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- i. *The school has under utilized below 90% since the budget was prepared for the whole year, but the financial statement was for six months.*
- ii. *None was over 100%*

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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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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 30th June 2021.

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XI. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	1,483,767	2,097,082
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials		
Chalks		
Exams and assessment		
Teachers guides		
Total	1,483,767	2,097,082

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	2,901,269	3,849,750
Repairs and maintenance	4,265,250	4,706,000
Local transport / travelling	796,500	513,360
Electricity and water	857,676	1,245,385
Medical/insurance	-	207,000
Administration costs	476,168	1,517,080
Activity	-	414,000
advance	-	2,500
Boarding Equipment & stores	-	240,000
Total	9,296,863	12,695,075

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,166,600.00	3,318,381.00
Repairs and maintenance	812,165.00	1,626,835.00
Local transport / travelling	261,550.00	624,360.00
Electricity and water	2,269,970.00	4,449,813.00
Medical	-	-
Administration costs	787,550.00	1,653,868.00
Activity	85,750.00	205,050.00
Total	5,383,585.00	11,878,307.00

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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	9,410,400	19,995,204
Rent income	112,100	306,400
Income from farming activities	1,130,350	2,689,577
Debtors	2,440,317	489,663
Tuition	73,385	341,589
Pocket Money	148,106	511,919
Tender	2,000	66,000
Income from grants and donations	285	13,220
IRD Cheques	28,800	7,770
Advance	-	12,000
Total	13,345,743	24,433,341

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	74,850	2,036,031
Exercise books	-	
Laboratory equipment	400,000	
Internal exams	66,120	
Teaching / learning materials	81,120	
Chalks	-	
Exams and assessment	-	
Teachers guides	390,414	
Administration Costs	-	
Bank Charges	2,427	
Total	1,014,931	2,036,031

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,732,601	1,722,239
Service Gratuity	-	-
Administration Cost	138,185	1,333,593
Repairs and maintenance & improvements	2,522,020	5,492,412
Local transport / travelling	301,065	459,140
Electricity and water	567,529	1,014,013
Medical	-	-
Activity Expenses	-	825,000
SMASSE	-	-
Creditors	98,300	655,708
Bank Charges	3,757	3,259
Boarding Equipment and Stores	139,148	382,524
TOTAL	5,502,605	11,887,888

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,269,591	5,480,740
Advance	-	14,500
Repairs and maintenance & Improvements	1,201,110	4,085,930
Local transport / travelling	711,362	1,072,990
Electricity and water	47,365	983,979
Medical Expenses	-	12,924
Administration costs	494,769	996,125
Boarding Equipment and Stores	14,710,492	22,010,392
IRD Cheques	-	28,800
Expenses on Income Generating Activities	713,135	2,181,486
Creditors	137,300	451,322
Income from grants and donations	-	222,470
Pocket Money	205,300	467,770
Activity	87,550	48,094
Tuition Equipment & Stores	1,760,015	1,570,349
Acquisition of Assets	-	-
TOTAL	21,337,989	39,627,871

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8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	Kcb 1101543930	650,006	181,170
Operations Account	Kcb 1101565373	5,580,420	1,786,163
School Fund Account/Boarding	Kcb 1101539070	5,721,257	8,917,139
Income generating activities Account - 1	Taifa 4010607501	315,704	316,978
Parent Association Development Account	-	-	-
Income generating activities Account - 2	Equity 00802622995961	542,924	476,639
Infrastructural Account		-	-
Total		12,810,311	11,678,089

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	2,715	2,715
School Fund account	731,109	143,888
Total	733,824	146,603

10 SHORT TERM INVESTMENTS

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

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11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	8,708,128	
Other non-fees receivables - rent	43,600.00	
Salary advances	-	
Imprest	-	
Total	8,751,728	3,341,772

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	8,708,128	
Fees arrears for the previous year		
Fees arrears for prior periods (over two years)		
Total	8,708,128	

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	14,404,361	
Prepaid fees	539,489.00	
Retention monies		
Total	14,943,850	9,533,895

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	14,404,361	
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)		
Total	14,404,361	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	11,743,100	14,182,859
Cash balances	146,603	89,817
Short Term Investments	-	-
Receivables	3,341,772	3,341,772
Payables	(9,533,895)	(9,533,895)
Total	5,697,580	8,080,553

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14 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 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	1975		121,200,000			121,200,000
Land 2						
Buildings and structures			169,624,000			169,624,000
Motor vehicles	03-05-1996 28-05-2010		9,714,685			9,714,685
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total			300,538,685			300,538,685

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