

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

PARLIAMENTARY ASSEMBLY  
PAPERS LAID

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# REPORT



OF

**THE AUDITOR-GENERAL**

ON

**MANDERA SECONDARY SCHOOL**

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

**MANDERA COUNTY**



31 MAY 2024



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*MANDERA SECONDARY SCHOOL*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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

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**1. Acronyms and Glossary of Terms**

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

|              |   |
|--------------|---|
| <b>BOM</b>   | <b>Board of Management</b>                              |
| <b>CEB</b>   | <b>County Education Board</b>                           |
| <b>IPSAS</b> | <b>International Public Sector Accounting Standards</b> |
| <b>KCSE</b>  | <b>Kenya Certificate of Secondary Education</b>         |
| <b>PFM</b>   | <b>Public Finance Management</b>                        |
| <b>PSASB</b> | <b>Public Sector Accounting Standards Board</b>         |
| <b>FY</b>    | <b>Financial Year</b>                                   |
| <b>FDSE</b>  | <b>Free Day Secondary school</b>                        |

**2. 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 Mandera County, Mandera East Sub-County.

The school was registered in 1971 under registration number GP/A5499/2008 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1,702 number of students as at 30<sup>th</sup> June 2022. It has 6 streams and 54 teachers of which 20 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:

1

| <b>Ref:</b> | <b>Name of Board Member</b>  | <b>Designation</b>    | <b>Date of appointment</b> |
|-------------|------------------------------|-----------------------|----------------------------|
| 1           | Mr Hassanoor Adan Abdullahii | Chairman              |                            |
| 2           | Mr Noor Sheikh Ali           | Secretary - Principal |                            |
| 3           | Mr Ali Mohamed Hassan        | Member                |                            |
| 4           | Mr Khalif Gurre              | Member                |                            |
| 5           | Mrs Halima Somo              | Member                |                            |
| 6           | Mr Mahat Omar                | Member                |                            |
| 7           | Mrs Suada Bulla              | Member                |                            |
| 8           | Mrs Fatuma Maalim            | Member – Rep CEB      | 1-7-2019                   |
| 9           | Mr Mohamednoor Yussuf        | Member Rep Teachers   |                            |
| 10          | Mr Abdiaziz Kahiye           | 3 Members - Sponsor   |                            |
| 11          | Mr Abdi Adam Ibrahim         | Member - Community    |                            |
| 12          |                              | Member Special Needs  |                            |
| 13          | Abdiweli Salat Abdille       | Rep Students          |                            |

**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**

| <b>Ref:</b> | <b>Name of Committee</b>                                  | <b>Names of Members</b>   | <b>Designation</b>                               | <b>Number of meetings attended during the year</b> |
|-------------|---|---|--|--|
| <b>1</b>    | <b>Executive Committee</b>                                | 1.Hassanoor Adan<br>2.Noor Sheikh Ali<br>3.Ali Mohamed<br>4.Mrs Suada Bulle | Chairman<br>Princ/Secretary.<br>Member<br>Member | 2  |
| <b>2</b>    | <b>Audit Committee</b>                                    | 1.Hassannoor Adan   | Chairman   | 1  |
| <b>3.</b>   | <b>Finance,procurement and General purposes</b>           | 2.Noor Sheikh Ali<br>3.Khalif Gure<br>4.M<br>ohamed Yussuf                  | Princ/Secretary<br>Member<br>Member              |  |
| <b>3</b>    | <b>Finance,procurement and general purposes Committee</b> |   |  |  |
| <b>4</b>    | <b>Academic Committee</b>                                 | 1.Mahat Omar<br>2.Hussein.M.Gamow   |  |  |
| <b>5</b>    | <b>Development Committee</b>                              | 1.Hassannoor Adan<br>2.Noor Sheikh Ali                                      |  |  |

|   |   |  |  |  |
|---|---|--|--|--|
|   |   | 3.Ali Mohamed<br>4.Mohamednoor<br>Yussuf           |  |  |
| 6 | <b>Discipline and welfare Committee</b>         | 1.Ali Mohamed<br>2.Halima Somo<br>3.Mohamed Yussuf |  |  |
| 7 | <b>Adhoc Committee (if any during the year)</b> |  |  |  |

**(d) School operation Management**

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

| Ref: | Designation      | Name                | Identification |
|------|------------------|---------------------|----------------|
| 1    | Principal        | Noor Sheikh Ali     | TSC No.420093  |
| 2    | Deputy Principal | Hussein Nurrow Adan | TSC No.61069   |
| 3    | Deputy Principal | Ahmed Sheikh Husse  | Tsc No.685006  |
| 4    | School Bursar    | Adan Ali Mohamed    |                |

**(e) Schools contacts**

Post Office Box: 36-Mandera  
 Telephone: 0723080226  
 E-mail: Mandera@gmail.com  
 Website: XXXXXXXXX  
 Facebook: Mandera Secondary School  
**Twitter:**

**(f) School Bankers**

1. Name of Bank: Kenya Commercial Bank  
 Branch Mandera  
 Account Number 201680235
2. Name of Bank Equity  
 Branch Mandera

Account Number 1000297620609

3. Name of Bank National  
Branch Mandera  
Account Number 01050097902300

4. Mpesa pay bill No 914664 attached to 1000297620609 Equity Bank Account

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**(g) Independent Auditors**

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



### 3. Summary Report of Performance of The School

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

#### a) Financial performance:

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

- *Surplus/ deficit for the year and a comparison of the same for the last three years*
- *Capitation grants from the Ministry of Education for the last three years*
- *A three-year overview of growth of other income(s) earned by the school.*
- *A three-year overview of growth in expenditure of the school*
- *Movement of debtors and creditors of the school over the last three years*

*Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).*

#### b) Teacher Student ratio:

*Teachers/Student ratio=1200/36=1.36.*

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

*2021K.C.S. E =6.8525(C+ plain)*

*Performance of the school for each over the last three years.*

| <i>Year</i> | <i>Mean score</i> |
|-------------|-------------------|
| <i>2019</i> | <i>5.6244</i>     |
| <i>2020</i> | <i>6.4606</i>     |
| <i>2021</i> | <i>6.8525</i>     |

#### d) Number of Candidates in the 2018-2020 KCSE:

| <i>Year</i> | <i>No of Students</i> |
|-------------|-----------------------|
| <i>2019</i> | <i>241</i>            |
| <i>2020</i> | <i>255</i>            |
| <i>2021</i> | <i>251</i>            |

**e) Capacity of the school:**

*No. of students- visas number of dormitories, dining hall, laboratory, toilets and other amenities.*

*Dorm-161*

*Dining hall-1:725*

*Laboratory-1:363*

*Toilets - 1:23*

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

| Projects                                   | Source of funds          | Status | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time |
|--|--------------------------|--------|---------------------|---------------------|--------------------------|
| 3no.classrooms<br>And 5 No.Door<br>Toilets | Ministry of<br>Education |        |                     | 4,516,480.00        |                          |
|  |                          |        |                     |                     |                          |
|  |                          |        |                     |                     |                          |
|  |                          |        |                     |                     |                          |
|  |                          |        |                     |                     |                          |
|  |                          |        |                     |                     |                          |

.....  
Abdirahman SHAZUKH ARI

School Principal

31/5/2024



**4. 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 *Mandera 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).

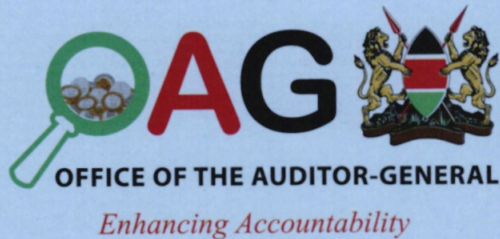
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial ended 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

.....  
**Name:** Ali M Hassan  
**Designation:** Chairman, School Board of Management  
**Date:**

.....  
**Name:** Nura Shikha Ali  
**Designation:** School Principal & Secretary to Board of Management  
**Date:** 31/5/2022

.....  
**Name:** Adan Ali Mohamed  
**Designation:** Bursar/ Finance Officer  
**Date:** 31/5/2022

# REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

## REPORT OF THE AUDITOR-GENERAL ON MANDERA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – MANDERA COUNTY

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Audit Act, 2015 and Public Finance Management Act, 2012. 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 Mandera Secondary School – Mandera County set out on pages 1 to 20, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and

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*Report of the Auditor-General on Mandera Secondary School for the year ended 30 June, 2022 – Mandera County*

payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with 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 Mandera Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Payments**

The statement of receipts and payments reflects total expenditure balance of Kshs.100,475,300. Included in this amount are operation payments on boarding expenditure and tuition balance of Kshs.23,664,910 that was not supported by quotations, and inspection and acceptance certificate.

In the circumstances, the accuracy and completeness of the payments balance could not be confirmed.

#### **2. Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects amount of Kshs.36,500,668 in respect of account receivable. The receivable balance in respect of fees arrears was not supported by debtors' schedule showing outstanding opening balances, receivable for the year, amount paid during the year and the outstanding balances at the closure of the year. Further, receivables balance of Kshs.31,885,034 or 87% of total account receivables were two (2) years and above old.

In the circumstances, accuracy and recoverability of the long outstanding accounts receivables – student debtors balance could not be confirmed.

#### **3. Comingling of School Funds' Cashbooks**

The statement of financial assets and liabilities reflects an amount of Kshs.7,366,584 in respect of cash and cash equivalent. Included in the amount is Kshs.4,627,025 relating to School fund account/boarding that is a summation of three (3) bank account balances maintained through one (1) cashbook. No explanation was given why individual cashbooks per bank account was not maintained as required. Further, bank reconciliation statements for the bank accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance could not be confirmed.

#### **4. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.15,727,408 and as disclosed in Note 10 to the financial statements. However, Management did not provide a schedule and creditors ledger to show outstanding balance as at the beginning of the year, creditors for current year, amount paid during the year and outstanding balance.

In the circumstances, the accuracy and completeness of the accounts payable could not be confirmed.

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

#### **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 the previous year, several issues were raised under the Report on Financial Statements, 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, 2022.

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

## **Basis for Conclusion**

### **1. Late Submission of Financial Statements**

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2022. The financial statements were submitted on 31 May, 2024 which was twenty (20) months after the statutory deadline. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. Late submission of financial report adversely affects the Office of the Auditor-General in meeting the statutory timelines.

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

### **2. Non-Compliance with the Public Sector Accounting Standards Board**

Review of the financial statements that Annex 1 to the financial statement on analysis of pending account payables was not populated by dates of contracts, amount paid to date, outstanding balance for year under review and outstanding comparative balances as issued by the Public Sector Accounting Standards Board (PSASB) reporting template).

Further, Annex 2 to the financial statements on summary of fixed assets register was not updated with names and values of assets owned by the school in the format prescribed by the Public Sector Accounting Standards Board (PSASB) presentation template.

In addition, the statement of budgeted versus actual amounts did not reflect the total balances for budgeted and actual on comparable basis for the receipts and payments as prescribed by the PSASB.

In the circumstances, Management did not comply with the PSASB reporting template requirements.

### **3. Failure to Transfer Infrastructure Funds from the Operation Account**

The statement of receipts and payments reflects amount of Kshs.20,288,687 in respect of Government grant for operation. Included in this amount is Kshs.3,406,500 in respect to infrastructure that was not transferred to the infrastructure account within fifteen (15) working days as required by the Ministry of Education Circular No. MOE.HQS/3/13/3 of June, 2021 guidelines.

In the circumstances, Management was in breach of the Ministerial Guidelines.

### **4. Unapproved Fee Structure**

During the year under review, Management developed and implemented a fee structure charging an amount of Kshs.48,254 per student per year as parent's contribution against the Ministry of Education approved structure of an amount of Kshs.45,000. This was contrary to Regulation 44 of the Basic Education Regulations, 2015 that states that no

public school or institution shall issue alternative fees structures other than those approved by the Cabinet Secretary

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

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

During the year under review, the School transferred an amount of Kshs.160,000 to Kenya Secondary Schools Heads Association (KESSHA) to support the association activities. However, KESSHA is a welfare organization that draws its membership from school Principals only. The organization is not defined in Government Funding System and there is no assurance that it has implemented effective, efficient and transparent financial management and internal control systems to manage the funds transferred by the Schools.

In the circumstances, the value for money for the funds transferred to KESSHA could not be confirmed.

#### 6. Failure to Reconcile Student Enrollment Data

Review of student's records provided for audit revealed unexplained variance in student numbers between National Education Management Information System (NEMIS) and School registers resulting tuition fees under - disbursement on both operation and tuition fees of Kshs.4,702,865 as shown in the table below:

| Month              | No. of Students as Per NEMIS | No. of Students as Per Register | Capitation Grant Per Student (Kshs) | Total Expected Capitation Grant as Per School Register (Kshs) | Actual Capitation Grant Received (Kshs) | Capitation Not Disbursed (Kshs) |
|--------------------|------------------------------|---------------------------------|-------------------------------------|---|---|---------------------------------|
| Aug.2021-Operation | 956                          | 1,369                           | 4,500                               | 6,160,500   | 4,302,000                               | 1,858,500                       |
| Aug.2021-Tuition   | 956                          | 1,369                           | 730                                 | 999,370   | 697,880                                 | 301,490                         |
| Oct.2021-Operation | 1,303                        | 1,369                           | 3,554                               | 4,865,426   | 4,630,471                               | 234,955                         |
| Oct.2021-Tuition   | 1,303                        | 1,369                           | 700                                 | 958,300   | 912,100                                 | 46,200                          |
| Jan.2022-Tuition   | 1,423                        | 1,638                           | 478                                 | 782,964   | 680,194                                 | 102,770                         |
| Jan.2022-Operation | 1,423                        | 1,638                           | 2,074                               | 3,397,212   | 2,950,875                               | 446,337                         |
| Jan.2022-Tuition   | 462                          | 1,638                           | 730                                 | 1,195,740   | 337,260                                 | 858,480                         |



| Month              | No. of Students as Per NEMIS | No. of Students as Per Register | Capitation Grant Per Student (Kshs) | Total Expected Capitation Grant as Per School Register (Kshs) | Actual Capitation Grant Received (Kshs) | Capitation Not Disbursed (Kshs) |
|--------------------|------------------------------|---------------------------------|-------------------------------------|---|---|---------------------------------|
| Apr.2022-Operation | 1,425                        | 1,638                           | 2,955                               | 4,840,290   | 4,210,590                               | 629,700                         |
| Apr.2022-Operation | 1,425                        | 1,638                           | 1,051                               | 1,721,538   | 1,497,105                               | 224,433                         |
| <b>Total</b>       |                              |                                 |                                     |   |   | <b>4,702,865</b>                |

Management explained that the difference was due to failure by the school to fully register all students on National Education Management Information System Management (NEMIS) because of incomplete transfers of students which sometimes is manually done and therefore not recognized by the system. This was contrary to the Ministry of Education Circular No. MOE.HQ/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners to be registered in National Education Management Information System and the principals to ensure their records are accurate.

In the circumstances, Management was in breach of the circular and the underfunding of the School may have affected service delivery to the students.

#### **7. Failure to Prepare School Improvement Plan**

During the year under review, Management did not develop School Improvement Plan to be used to measure the School's improvement activities, keep the School in focus in achieving the school target, prioritization of School needs, ensuring prudent utilization of resources and to improve accountability. This was contrary to Section 2.2.1 of the Operational Manual for Utilization of Learner Capitation, Grant and Other School Funds which requires a school to develop improvement plan which is a road map for changes that a school needs to improve the school environment and learning outcomes.

In the circumstances, Management was in breach of the Operational Manual.

#### **8. Failure to Acknowledge Receipt of Infrastructure Funds**

During the year under review, the School received infrastructure grants of Kshs.4,400,000. However, no acknowledgement of the funds to the County Director of Education through a letter and no official receipt was uploaded on the NEMIS platform. This was contrary to paragraph 3.6.2 of Ministry of Education Circular No. MOE.HQS/3/10/18/ (112) dated 15 November,2022 Provisions that infrastructure funds received be acknowledged and receipt uploaded in the NEMIS platform.

In the circumstances, Management was in breach 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 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**

#### **1. Failure to Maintained Fixed Assets Register**

Management did not maintain an asset register indicating the item, cost, location and serial/tag number. Further, the land ownership documents for the School's land were not provided.

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

#### **2. Weakness in Internal Controls**

Review of the Board of Management (BOM) member's files revealed that Board's records were not properly maintain. Some documents such as degree certificate of the Board Chairman was not filed.

In the circumstances, the existence of effective governance structure could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 policies and procedures may deteriorate.


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

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

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

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

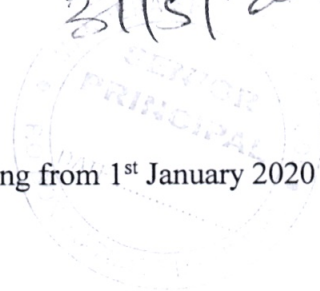
17 September, 2024

**6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2022**

| Description Of Vote Head                   | Note | 2021/2022          | 2020/2021(18 Months) |
|--|------|--------------------|----------------------|
|  |      | <b>Kshs</b>        | <b>Kshs</b>          |
| <b>Receipts</b>                            |      |                    |                      |
| Government grants for tuition              | 1    | 4,638,119          | 3,521,827            |
| Government grants for operations           | 2    | 20,288,687         | 29,223,689           |
| School fund income- parents' contributions | 3    | 82,951,174         | 47,977,912           |
| <b>Total Receipts</b>                      |      | <b>107,877,980</b> | <b>80,723,428</b>    |
| <b>Payments</b>                            |      |                    |                      |
| Tuition                                    | 4    | 5,032,540          | 3,885,000            |
| Operations                                 | 5    | 14,289,069         | 15,750,653           |
| Boarding and school fund                   | 7    | 81,153,691         | 44,982,352           |
| <b>Total Payments</b>                      |      | <b>100,475,300</b> | <b>64,618,005</b>    |
| <b>Surplus/Deficit</b>                     |      | <b>7,402,680</b>   | <b>16,105,423</b>    |

The school financial statements were approved on \_\_\_\_\_ 2022 and signed by:

*Ali M. Hassan* ..... *NOOR SHEKHAR AGI* .....  
**Name:** **Name:** **Name:**  
**Chair BOM** **School Principal/ Secretary to** **ADAN ALI (Bursar)**  
**Date:** **BOM** **Bursar/ Finance Officer**  
**Date:** **Date:** *31/5/2022* *31/5/2022*



N/B: Prior period refers to 18 months starting from 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2021

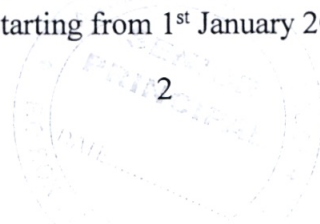
**7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2022**

| Description                           | Note | 2021/2022               | 2020/2021(18 Months)    |
|---------------------------------------|------|-------------------------|-------------------------|
|                                       |      | Kshs                    | Kshs                    |
| <b>Financial Assets</b>               |      |                         |                         |
| <b>Cash and cash equivalents</b>      |      |                         |                         |
| Bank balances                         | 8    | 7,366,584               | 4,363,904               |
| Cash balances                         |      |                         |                         |
| Short term investments                |      |                         |                         |
| <b>Total cash and cash equivalent</b> |      | <b><u>7,366,584</u></b> | <b><u>4,363,904</u></b> |
| Account's receivables                 | 9    | 36,500,668              | 32,802,534              |
| <b>Total financial assets</b>         |      | <b>43,867,252</b>       | <b>37,166,438</b>       |
| <b>Financial liabilities</b>          |      |                         |                         |
| Accounts payables                     | 10   | 15,727,408              | 16,429,273              |
| <b>Net financial assets</b>           |      | <b>28,139,844</b>       | <b>20,737,164</b>       |
| <b>Represented by</b>                 |      |                         |                         |
| Accumulated fund b/fwd                | 11   | 20,737,164              | 4,631,741               |
| Surplus/deficit for the year          |      | 7,402,680               | 16,105,423              |
| <b>Net financial position</b>         |      | <b>28,139,844</b>       | <b>20,737,164</b>       |

The school's financial statements were approved on \_\_\_\_\_ 2022 and signed by:

*Ali M. Hada* ..... *NOOR SHEIKH AG* .....  
 Name: \_\_\_\_\_ Name: \_\_\_\_\_ Name: *ASAN ALI*  
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer  
 Date: \_\_\_\_\_ Date: *31/5/2022* Date: *31/5/2022*

N/B: Prior period refers to 18 months starting from 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2021



**8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2022**

| Description   | Note | 2021/2022          | 2020/2021(18 Months) |
|---|------|--------------------|----------------------|
|   |      | Kshs               | Kshs                 |
| <b>Cash from Operating Activities</b>                     |      |                    |                      |
| <b>Receipts</b>   |      |                    |                      |
| Government grants for tuition                             | 1    | 4,638,119          | 3,521,827            |
| Government grants for operations                          | 2    | 20,288,687         | 29,223,689           |
| School fund income- parents contributions/ fees           | 3    | 82,951,174         | 47,977,912           |
| <b>Total receipts</b>                                     |      | <b>107,877,980</b> | <b>80,723,428</b>    |
| <b>Payments</b>   |      |                    |                      |
| Cash outflows for tuition                                 | 4    | 5,032,540          | 3,885,000            |
| Cash outflows for operations                              | 5    | 14,289,069         | 15,750,653           |
| Cash outflows Boarding/lunch and school fund payments     | 7    | 81,153,691         | 44,982,352           |
| <b>Total payments</b>                                     |      | <b>100,475,300</b> | <b>64,618,005</b>    |
| <b>Net cash inflow/outflow from operating activities</b>  |      | <b>7,402,680</b>   | <b>16,105,423</b>    |
|   |      |                    |                      |
| <b>Cash flow from investing activities</b>                |      |                    |                      |
| Acquisition of assets                                     | 6    | (4,400,000)        | (12,101,270)         |
| Proceeds from sale of Assets                              |      |                    |                      |
| Proceeds from investments                                 |      |                    |                      |
| Purchase of investments                                   |      |                    |                      |
| <b>Net cash inflow/outflows from investing activities</b> |      | <b>(4,400,000)</b> | <b>(12,101,270)</b>  |
|   |      |                    |                      |
| <b>Cash flow from Financing activities</b>                |      |                    |                      |
| Proceeds from borrowings/ loans                           |      |                    |                      |
| Repayment of principal borrowings                         |      |                    |                      |
| <b>Net cash inflow/outflow from financing activities</b>  |      |                    |                      |
|   |      |                    |                      |
| <b>Net increase/decrease in cash and cash equivalents</b> |      | <b>3,002,680</b>   | <b>4,004,153</b>     |
| Cash and cash equivalent at beginning of the 2021         |      | 4,363,904          | 359,751              |
| <b>Cash and cash equivalent at end of the 2021</b>        |      | <b>7,366,584</b>   | <b>4,363,904</b>     |

*Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.*

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

The school's financial statements were approved on \_\_\_\_\_ 2022 and signed by:



**MANDERA SECONDARY SCHOOL**  
**Annual Report and Financial Statements for the ended 30<sup>th</sup> June 2022**

Ali M. Hassan - 

**Name:**

**Chair BOM**

**Date:**



**Name:**

**School Principal/Secretary to  
BOM**

**Date:**

31/5/2024

**Name:**

**Bursar/ Finance Officer**

**Date:**

31/5/2024

N/B: Prior period refers to 18 months starting from 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2021

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2022

| Receipt/Expenses Item                     | Original Budget | Adjustments | Final Budget | Actual On Comparable Basis | % Of Utilization |
|---|-----------------|-------------|--------------|----------------------------|------------------|
|   | A               | B           | c=a+b        | d                          | e=d/c %          |
|   | Kshs            | Kshs        | Kshs         | Kshs                       | Kshs             |
| <b>Receipts</b>                           |                 |             |              |                            |                  |
|   |                 |             |              |                            |                  |
| <i>(1) Capitation Grant on Tuition</i>    |                 |             |              |                            |                  |
| Tuition                                   | 4,638,119       | 0           | 4,638,119    | 4,638,119                  | 100%             |
| Exercise Books                            |                 |             |              |                            |                  |
| Laboratory Equipment                      |                 |             |              |                            |                  |
| Internal Exams                            |                 |             |              |                            |                  |
| Teaching / Learning Materials             |                 |             |              |                            |                  |
| Exams And Assessment                      |                 |             |              |                            |                  |
|   |                 |             |              |                            |                  |
|   |                 |             |              |                            |                  |
| <i>(2) Capitation Grant on Operations</i> |                 |             |              |                            |                  |
| Personnel Emoluments                      | 6,508,035       | 0           | 6,508,035    | 6,508,035                  | 100%             |
| Repairs And Maintenance                   | 5,500,000       | 0           | 5,500,000    | 5,500,000                  | 100%             |
| Local Transport / Travelling              | 1,631,438       | 0           | 1,631,438    | 1,631,438                  | 100%             |
| Electricity And Water                     | 2,234,826       | 0           | 2,234,826    | 2,234,826                  | 100%             |
| Medical                                   | 152,400         | 0           | 152,400      | 152,400                    | 100%             |
| Administration Costs                      | 4,261,988       | 0           | 4,261,988    | 4,261,988                  | 100%             |

**MANDERA SECONDARY SCHOOL**

**Annual Report and Financial Statements for the ended 30<sup>th</sup> June 2022**

| Receipt/Expenses Item                     | Original Budget | Adjustments | Final Budget | Actual On Comparable Basis | % Of Utilization |
|---|-----------------|-------------|--------------|----------------------------|------------------|
|   | A               | B           | c=a+b        | d                          | e=d/c %          |
|   | Kshs            | Kshs        | Kshs         | Kshs                       | Kshs             |
| Activity                                  |                 |             |              |                            |                  |
|   |                 |             |              |                            |                  |
| <b><i>(4) Fees Charged on parents</i></b> |                 |             |              |                            |                  |
| Personnel Emoluments                      | 8,899,243       | 0           | 8,899,243    | 8,899,243                  | 100%             |
| Repairs And Maintenance                   | 4,845,520       |             | 4,845,520    | 4,845,520                  | 100%             |
| Local Transport / Travelling              | 2,653,577       | 0           | 2,653,577    | 2,653,577                  | 100%             |
| Electricity And Water                     | 4,042,374       | 0           | 4,042,374    | 4,042,374                  | 100%             |
| Administration Costs                      | 4,118,692       | 0           | 4,118,692    | 4,118,692                  | 100%             |
| Activity                                  | 1,116,902       | 0           | 1,116,902    | 1,116,902                  | 100%             |
| Bursary                                   | 8,690,357       | 0           | 8,690,357    | 8,690,357                  | 100%             |
| Fee On Boarding Equipment and Stores      | 45,369,609      | 0           | 45,369,609   | 45,369,609                 | 100%             |
| Equity foundation                         | 392,000         | 0           | 392,000      | 392,000                    | 100%             |
| Imprest                                   | 1,592,000       | 0           | 1,592,000    | 1,592,000                  | 100%             |
|   |                 |             |              |                            |                  |
| <b><i>(6) Expenditure For Tuition</i></b> |                 |             |              |                            |                  |
| Tuition                                   | 5,032,540       | 0           | 5,032,540    | 5,032,540                  | 100%             |
| Reference Materials                       |                 |             |              |                            |                  |
| Exercise Books                            |                 |             |              |                            |                  |
| Laboratory Equipment                      |                 |             |              |                            |                  |
| Internal Exams                            |                 |             |              |                            |                  |

| Receipt/Expenses Item                     | Original Budget | Adjustments | Final Budget  | Actual On Comparable Basis | % Of Utilization |
|---|-----------------|-------------|---------------|----------------------------|------------------|
|   | A               | B           | c=a+b         | d                          | e=d/c %          |
|   | Kshs            | Kshs        | Kshs          | Kshs                       | Kshs             |
| Teaching / Learning Materials             |                 |             |               |                            |                  |
| Chalks                                    |                 |             |               |                            |                  |
| Exams And Assessment                      |                 |             |               |                            |                  |
| Teachers Guides                           |                 |             |               |                            |                  |
|   |                 |             |               |                            |                  |
| <b>(7) Expenditure For Operations</b>     |                 |             |               |                            |                  |
| Personnel Emoluments                      | 10,997,074.00   | 0           | 10,997,074.00 | 4,310,110                  | 100%             |
| Repairs, Maintenance & Improvements       | 4,516,480       | 0           | 4,516,480.00  | 4,916,000                  | 100%             |
| Local Transport / Travelling              | 273,000.00      | 0           | 273,000.00    | 273,000                    | 100%             |
| Electricity, Water and Conservancy        | 1,055,995.00    | 0           | 1,055,995.00  | 1,055,995                  | 100%             |
| Medical                                   | 152,400         | 0           | 152,400       | 152,400                    | 100%             |
| Administration Costs                      | 404,400.00      | 0           | 404,400.00    | 405,006                    | 100%             |
| Activity Expenses                         |                 |             |               |                            |                  |
| Main account                              | 3,176,558       | 0           | 3,176,558     | 3,176,558                  | 100%             |
| SMASSE                                    |                 |             |               |                            |                  |
|   |                 |             |               |                            |                  |
| <b>(8) Expenditure For infrastructure</b> |                 |             |               |                            |                  |
| Construction classrooms                   | 3,300,000       | 0           | 3,300,000     | 3,300,000                  | 100%             |
| Construction of library                   | 1,100,000       | 0           | 1,100,000     | 1,100,000                  | 100%             |
| Construction of DORMS                     |                 |             |               |                            |                  |

**MANDERA SECONDARY SCHOOL**

**Annual Report and Financial Statements for the ended 30<sup>th</sup> June 2022**

| Receipt/Expenses Item  | Original Budget | Adjustments | Final Budget  | Actual On Comparable Basis | % Of Utilization |
|--|-----------------|-------------|---------------|----------------------------|------------------|
|  | A               | B           | c=a+b         | d                          | e=d/c %          |
|  | Kshs            | Kshs        | Kshs          | Kshs                       | Kshs             |
| Purchase of furniture  |                 |             |               |                            |                  |
| Purchase of equipment  |                 |             |               |                            |                  |
| Purchase of machinery  |                 |             |               |                            |                  |
|  |                 |             |               |                            |                  |
|  |                 |             |               |                            |                  |
| <b><i>(9) Expenditure For school fund/lunch/boarding</i></b> |                 |             |               |                            |                  |
| Personnel Emoluments   | 4,357,358.00    | 0           | 4,357,358.00  | 4,357,358.00               | 100%             |
| Repairs, Maintenance and Improvements                        | 12,986,550.00   | 0           | 12,986,550.00 | 12,986,550.00              | 100%             |
| Local Transport / Travelling                                 | 6,030,585.00    | 0           | 6,030,585.00  | 6,030,585.00               | 100%             |
| Electricity, Water and Conservancy                           | 3,896,639.00    | 0           | 3,896,639.00  | 3,896,639.00               | 100%             |
| Pension account  | 1,000,000       | 0           | 1,000,000     | 1,000,000                  | 100%             |
| Administration Costs   | 2,557,804.00    | 0           | 2,557,804.00  | 2,557,804.00               | 100%             |
| Activity   | 51,000          | 0           | 51,000        | 51,000                     | 100%             |
| CBC  | 172,900         | 0           | 172,900       | 172,900                    | 100%             |
| Bursaries  | 9,437,998       | 0           | 9,437,998     | 9,437,998                  | 100%             |
| Boarding Equipment and Stores                                | 38,096,857      | 0           | 38,096,857    | 38,096,857                 | 100%             |
| Advance  | 2,175,000       | 0           | 2,175,000     | 2,175,000                  | 100%             |
| Equity foundation  | 391,000         | 0           | 391,000       | 391,000                    | 100%             |

| Receipt/Expenses Item | Original Budget | Adjustments | Final Budget | Actual On Comparable Basis | % Of Utilization |
|-----------------------|-----------------|-------------|--------------|----------------------------|------------------|
|                       | A               | B           | c=a+b        | d                          | e=d/c %          |
|                       | Kshs            | Kshs        | Kshs         | Kshs                       | Kshs             |
|                       |                 |             |              |                            |                  |

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

- i. Xxx
- ii. Xxx

**10. 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

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

## 11. Notes To The Financial Statements

## 1 Government Grants for Tuition

| Description                   | 2021/2022         | 2020/2021(18 Months) |
|-------------------------------|-------------------|----------------------|
|                               | Kshs              | Kshs                 |
| Reference Materials           |                   |                      |
| Exercise Books                |                   |                      |
| Laboratory Equipment          |                   |                      |
| Internal Exams                |                   |                      |
| Teaching / Learning Materials | 4,638,119         | 3,521,827            |
| Others (specify) *            |                   |                      |
| <b>Total</b>                  | <b>4,,638,119</b> | <b>3,521,827</b>     |

## 2 Government Grants for Operations

| Description                  | 2021/2022         | 2020/2021(18 Months) |
|------------------------------|-------------------|----------------------|
|                              | Kshs              | Kshs                 |
| Personnel Emoluments         | 6,508,035         | 9,969,141            |
| Repairs And Maintenance      | 5,500,000         | 10,955,748           |
| Local Transport / Travelling | 1,631,438         | 2,049,462            |
| Electricity And Water        | 2,234,826         | 2,055,110            |
| Medical                      | 152,400           | 209,200              |
| Administration Costs         | 4,261,988         | 3,985,028            |
| Covid-19                     |                   |                      |
| Advance                      |                   |                      |
| <b>Total</b>                 | <b>20,288,687</b> | <b>29,223,689</b>    |

## 3 School Fund Income - Parents Contribution/Fees

| Description                  | 2021/2022 | 2020/2021(18 Months) |
|------------------------------|-----------|----------------------|
|                              | Kshs      | Kshs                 |
| Personnel emoluments         | 8,899,243 | 4,653,141            |
| Repairs and maintenance      | 4,845,520 | 9,248,626            |
| Local transport / travelling | 2,653,577 | 1,520,251            |
| Electricity and water        | 4,042,374 | 4,242,338            |

**MANDERA SECONDARY SCHOOL**  
**Annual Report and Financial Statements for the ended 30<sup>th</sup> June 2022**

| <b>Description</b>                   | <b>2021/2022</b>  | <b>2020/2021(18 Months)</b> |
|--------------------------------------|-------------------|-----------------------------|
|                                      | <b>Kshs</b>       | <b>Kshs</b>                 |
| Medical                              |                   |                             |
| Administration costs                 | 4,118,692         | 3,811,344                   |
| Activity                             | 1,116,902         | 1,793,458                   |
| Fee on Boarding Equipment and stores | 45,369,609        | 22,708,754                  |
| Bursary                              | 8,690,357         |                             |
| Equity Foundation                    | 392,000           |                             |
| Imprest                              | 1,592,000         |                             |
| Service gratuity                     |                   |                             |
| Prepayments                          |                   |                             |
| Advance                              | 1,058,000         |                             |
| CBC                                  | 172,900           |                             |
| <b>Total</b>                         | <b>82,951,174</b> | <b>47,977,912</b>           |

**4 Payments for Tuition**

| <b>Description</b>            | <b>2021/2022</b> | <b>2020/2021(18 Months)</b> |
|-------------------------------|------------------|-----------------------------|
| Exercise Books                |                  |                             |
| Textbooks                     |                  |                             |
| Reference materials           |                  |                             |
| Laboratory Equipment          | 497,000          | 737,900                     |
| Teaching / Learning Materials | 3,969,475        | 2,041,350                   |
| Exams And Assessment          | 566,065          | 1,105,750                   |
| Teachers Guides               |                  |                             |
| Bank Charges                  |                  |                             |
| Others ( <i>specify</i> )     |                  |                             |
| <b>Total</b>                  | <b>5,032,540</b> | <b>3,885,000</b>            |

**5 Payments for Operations**

| <b>Description</b>   | <b>2021/2022</b> | <b>2020/2021(18 Months)</b> |
|----------------------|------------------|-----------------------------|
|                      | <b>Kshs</b>      | <b>Kshs</b>                 |
| Personnel Emoluments | 4,310,110        | 3,806,910                   |

|  |                   |                   |
|--|-------------------|-------------------|
| Administration Cost                    | 405,006           | 9,674,876         |
| Repairs And Maintenance & Improvements | 4,916,000         | 1,673,165         |
| Local Transport / Travelling           | 273,000           |                   |
| Electricity And Water                  | 1,055,995         | 595,702           |
| Medical                                | 152,400           |                   |
| Activity Expenses                      |                   |                   |
| Main Account                           | 3,176,558         |                   |
| Advance                                |                   |                   |
| <b>Covid-19</b>                        |                   |                   |
| <b>Total</b>                           | <b>14,289,069</b> | <b>15,750,653</b> |

**6 Infrastructure**

| <b>Description</b>         | <b>2021/2022</b> | <b>2020/2021(18 Months)</b> |
|----------------------------|------------------|-----------------------------|
|                            | <b>Kshs</b>      | <b>Kshs</b>                 |
| Construction of classrooms | 3,300,000        | 1,750,000                   |
| Construction of laboratory |                  |                             |
| Construction of dormitory  |                  | 2,251,270                   |
| Purchase of furniture      |                  |                             |
| Purchase of equipment      |                  |                             |
| Purchase of apparatus      |                  |                             |
| Toilets                    |                  | 3,100,000                   |
| Others (specify) Library   | 1,100,000        | 5,000,000                   |
| <b>Total</b>               | <b>4,400,000</b> | <b>12,101,270</b>           |

**7 Payments for Boarding And School Fund**

| <b>Description</b>                     | <b>2021/2022</b> | <b>2020/2021(18 Months)</b> |
|--|------------------|-----------------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>                 |
| Personnel Emoluments                   | 4,357,358        | 4,852,833                   |
| Repairs And Maintenance & Improvements | 12,986,550       | 3,115,850                   |
| Local Transport / Travelling           | 6,030,585        | 1,061,550                   |
| Electricity And Water                  | 3,896,639        | 1,906,450                   |
| Medical Expenses                       |                  |                             |
| Administration Costs                   | 2,557,804        | 1,027,500                   |

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Covid-19                             |                   |                   |
| SEQIP                                |                   |                   |
| CBC                                  | 172,900           |                   |
| Fee On Boarding Equipment and Stores | 38,096,857        | 28,130,369        |
| Bursaries                            | 9,437,998         | 4,866,500         |
| Pension Account                      | 1,000,000         |                   |
| Advance                              | 2,175,000         |                   |
| Activity                             | 51,000            | 21,300            |
| Equity Foundation                    | 391,000           |                   |
| PA expenses                          |                   |                   |
| Others (specify)                     |                   |                   |
| <b>Total</b>                         | <b>81,153,691</b> | <b>44,982,352</b> |

**8 Bank Accounts**

| Account Name & Currency      | Status         | Bank Account Number | 2021/2022           | 2020/2021(18 Months) |
|------------------------------|----------------|---------------------|---------------------|----------------------|
|                              | Active/Dormant |                     | Kshs                | Kshs                 |
| Tuition Account              |                |                     | 106,466.85          | 500,887.85           |
| Operations Account           |                |                     | 2,627,319.79        | 917,231.09           |
| School Fund Account/Boarding |                |                     | 4,627,025.13        | 2,539,887.13         |
| Infrastructural Account      |                |                     | 5,772.00            | 405,898              |
| <b>Total</b>                 |                |                     | <b>7,366,583.77</b> | <b>4,363,904.07</b>  |

**9 Accounts Receivable**

| Description                              | 2021/2022         | 2020/2021(18 Months) |
|--|-------------------|----------------------|
|  | Kshs              | Kshs                 |
| Fees arrears                             | 34,908,667.60     | 31,885,034           |
| <b>Other Non-Fees Receivables</b>        |                   |                      |
| Salary Advances (list/schedule attached) | 1,592,000         | 917,500              |
| Imprest (list/schedule attached)         |                   |                      |
| Rent arrears (list/schedule attached)    |                   |                      |
| <b>Total</b>                             | <b>36,500,668</b> | <b>32,802,534</b>    |

**9 a. Ageing Analysis of Accounts Receivable**

| Description                            | 2021/2022         |                | 2020/2021(18 Months) |                |
|--|-------------------|----------------|----------------------|----------------|
|  | Kshs              |                | Kshs                 |                |
|  | Current           | % of the total | Comparative          | % of the total |
| Less than 1 year                       | 3,110,992         | 9%             | 7,345,501            | 23%            |
| Between 2-3 years                      | 31,797,676        | 91%            | 24,539,533           | 77%            |
| Over 3 years                           |                   |                |                      |                |
| <b>Total (should tie to note 13 a)</b> | <b>34,908,668</b> |                | <b>31,885,034</b>    |                |

**10 Accounts Payable**

| Description                                       | 2021/2022         | 2020/2021(18 Months) |
|---|-------------------|----------------------|
|   | Kshs              | Kshs                 |
| Trade Creditors (See Ageing Below and Appendix 1) | 15,727,408        | 16,429,273           |
| Prepaid Fees                                      |                   |                      |
| Retention Monies                                  |                   |                      |
| Unpaid salaries and statutory deductions          |                   |                      |
| Caution money                                     |                   |                      |
| Other payables ( <i>specify</i> )                 |                   |                      |
| <b>Total</b>                                      | <b>15,727,408</b> | <b>16,429,273</b>    |

**Notes to the Financial Statements (continued)**

**10a. Ageing Analysis of Accounts Payable**

| Description                          | 2021/2022         |                | 2020/2021(18 Months) |                |
|--------------------------------------|-------------------|----------------|----------------------|----------------|
|                                      | Kshs              |                | Kshs                 |                |
|                                      | Current           | % of the total | Comparative          | % of the total |
| Less than 1 year                     | 3,942,008         | 25%            | 7,253,644            | 44%            |
| Between 1- 2 years                   |                   | %              |                      | %              |
| Between 2-3 years                    |                   | %              |                      | %              |
| Over 3 years                         | 11,785,400        | 75%            | 9,175,629            | 56%            |
| <b>Total (should tie to note 14)</b> | <b>15,727,408</b> | <b>%</b>       | <b>16,429,273</b>    | <b>%</b>       |

**11 Fund Balance Brought Forward**

| Description            | 2021/2022         | 2020/2021(18 Months) |
|------------------------|-------------------|----------------------|
|                        | Kshs              | Kshs                 |
| Bank balances          | 4,363,904.07      | 359,751              |
| Cash Balances          |                   |                      |
| Short Term Investments |                   |                      |
| Receivables            | 32,802,534        | 32,802,534           |
| Payables               | 16,429,273        | 28,530,544           |
| <b>Total</b>           | <b>20,737,164</b> | <b>4,631,741</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.

**12 Biological assets**

| Description              | Numbers | 2021/2022   | 2020/2021(18 Months) |
|--------------------------|---------|-------------|----------------------|
|                          |         | Kshs        | Kshs                 |
| Cattle                   |         |             |                      |
| Goats                    |         |             |                      |
| Trees                    |         | 2000        | 1600                 |
| Coffee Or Tea Plantation |         |             |                      |
| Poultry                  |         |             |                      |
| Others (specify)         |         |             |                      |
| <b>Total</b>             |         | <b>2000</b> | <b>1600</b>          |

**13 Stock/ Inventory**

| Description            | 2021/2022 | 2020/2021(18 Months) |
|------------------------|-----------|----------------------|
|                        | Kshs      | Kshs                 |
| Food stuffs            | 79,400.00 | 64,790.00            |
| Lab consumables        |           |                      |
| Farm produce           |           |                      |
| Medication             |           |                      |
| Construction Materials |           |                      |
| Others (specify)       |           |                      |
|                        |           |                      |

*(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)*

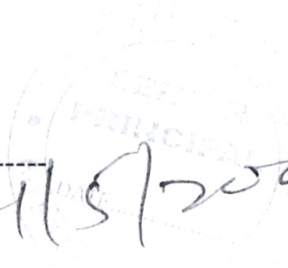


**14 Progress On Follow Up Of Auditor Recommendations**

Auditor General’s certificate for previous period audit not produced.



Sign and Date  
Principal



31/5/2024

12. Annexes

Annex I - Analysis of Pending Accounts Payable

| Supplier Of Goods Or Services         | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance Current FY | Outstanding Balance Comparative FY | Comments |
|---------------------------------------|-----------------|-----------------|---------------------|--------------------------------|------------------------------------|----------|
|                                       | A               | b               | C                   | d=a-c                          |                                    |          |
|                                       | Kshs            | Kshs            | Kshs                | Kshs                           | Kshs                               |          |
| <b>Construction Of Buildings</b>      |                 |                 |                     |                                |                                    |          |
| 1.                                    |                 |                 |                     |                                |                                    |          |
| 2.                                    |                 |                 |                     |                                |                                    |          |
| 3.                                    |                 |                 |                     |                                |                                    |          |
| Sub-Total                             |                 |                 |                     |                                |                                    |          |
| <b>Supply Of Goods</b>                |                 |                 |                     |                                |                                    |          |
| 4. Food staff                         | 634670.00       |                 |                     |                                |                                    |          |
| 5.                                    |                 |                 |                     |                                |                                    |          |
| Sub-Total                             |                 |                 |                     |                                |                                    |          |
| <b>Supply Of Services</b>             |                 |                 |                     |                                |                                    |          |
| 6. Books, stationaries and laboratory | 2,323,842.00    |                 |                     |                                |                                    |          |
| 7. Uniforms, spare parts, newspaper   | 983,496.60      |                 |                     |                                |                                    |          |
| 8.                                    |                 |                 |                     |                                |                                    |          |

**MANDERA SECONDARY SCHOOL****Annual Report and Financial Statements for the ended 30<sup>th</sup> June 2022**

| Supplier Of Goods Or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance Current FY | Outstanding Balance Comparative FY | Comments |
|-------------------------------|-----------------|-----------------|---------------------|--------------------------------|------------------------------------|----------|
| <b>Sub-Total</b>              |                 |                 |                     |                                |                                    |          |
| <b>Grand Total</b>            | 3,942,008.60    |                 |                     |                                |                                    |          |

**Annex 2 – Summary of Fixed Assets Register**

| Asset Class                              | Historical Cost b/f (Kshs) 1 <sup>st</sup> January 2020 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022 |
|--|---|----------------------------------|----------------------------------|---|
| Land                                     | 69.19 acre  |                                  |                                  |   |
| Buildings And Structures                 | 128   |                                  |                                  |   |
| Motor Vehicles                           | 2   |                                  |                                  |   |
| Office Equipment, Furniture And Fittings | 28  |                                  |                                  |   |
| Textbooks                                | 26184   |                                  |                                  |   |
| ICT Equipment                            | 5   |                                  |                                  |   |
| Tools And Apparatus                      | 8334  |                                  |                                  |   |
| Other Machinery And Equipment            | -   |                                  |                                  |   |
| Heritage And Cultural Assets             | -   |                                  |                                  |   |
| Intangible Assets- Soft Ware             | internet  |                                  |                                  |   |
| <b>Total</b>                             |   |                                  |                                  |   |

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