

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE NATIONAL ASSEMBLY

PAPER

THE AUDITOR-GENERAL

DATE: 15 NOV 2023

DAY:
WEDNESDAY

TABLED
BY:

DEPUTY MAJORITY
LEADER

ON

CLERK-AT
THE-TABLE:

**ST. STEPHEN'S ALUOR MIXED
PUBLIC SECONDARY SCHOOL**

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

SIAYA COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30684 / 00100, NAIROBI
REGISTRY

31 JUL 2023

RECEIVED



ST. STEPHEN'S ALUOR MINED
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2022

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

SENIOR PRINCIPAL
ST. STEPHEN'S ALUOR MINED
SECONDARY SCHOOL
P.O. BOX 120 - 40100, ALUOR
Kenya

ST. STEPHEN'S ALUOR MIXED
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

| | Page |
|---|------|
| I. KEY SCHOOL INFORMATION AND MANAGEMENT | 2 |
| II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL..... | 6 |
| III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY | 8 |
| IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF ST. STEPHEN'S ALUOR MIXED SECONDARY SCHOOL OF THE YEAR ENDING 30 TH JUNE 2022 | 9 |
| V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 TH JUNE 2022 | 10 |
| VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2022 | 11 |
| VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2022 | 12 |
| VIII. NOTES TO THE FINANCIAL STATEMENTS | 13 |

PUBLIC SECONDARY SCHOOLS – ST. STEPHEN’S ALUOR MIXED
Reports and Financial Statements
For the year ended 30th June 2022

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 Siaya County, Gem-Wagai Sub-County.

The school was registered in 2013 registration number 41S30001032 and is currently categorized as a sub-county public school established, owned or operated by the Government.

The school is a day school and had 466 number of students as at 30th June 2022. It has 2 streams and 15 teachers of which 4 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. Zacheaus Omollo Onyango | Chairman | 2021 |
| 2 | Mr. Vincent Wafula Mayu | Secretary - Principal | 2021 |
| 3 | Mr. Jared Ouma Talo | Member | 2021 |
| 4 | Mrs Selline Ayoo Omollo | Member | 2021 |
| 5 | Mrs. Mary Aoko | Member | 2021 |
| 6 | Mr. Antony Odhiambo Odera | Member | 2021 |
| 7 | Mrs. Inviolata Nyaleso | Member | 2021 |
| 8 | Mr. Erick Fred Oueno Okoth | Member – Rep CEB | 2021 |
| 9 | Mrs. Putence Nganga Namusia | Member Rep Teachers | 2021 |
| 10 | Mr. John Migunde Mrs. Sellyne Abeno | 3 Members - Sponsor | 2021 |
| 11 | Mr. James Omondi Ogwel | Member - Community | 2021 |
| 12 | Mrs. Fredrick Osanya Agalloh | Member Special Needs Rep Students | 2021 |

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 pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

| Ref | Name of Committee | Name of Members | Designation | Number of Meetings attended during the year |
|-----|---|---|--|---|
| 1. | Executive Committee | Mr. Zachaeus Omollo Mr. Erick Akoth Mr. Vincent Mayu Mr. Geoffrey Kola Mrs. Sellyn Abeno Mrs. Rosemary : Onyango S.C.D.E | Chairperson Secretary Member Member Member | 2 |
| 2 | Finance, procurement and general purposes Committee | Mr. Jared Talo Mr. John Migunde Mr. Erick Akoth Mrs. Inviolata Nyaleso Ms. Maurine Anyango | Chairperson Secretary Member Member Member | 2 |
| 3 | Academic Committee | Mrs. Sellyn Abeno Mrs. Mary Aoko Mr. Fredrick Agalo Mr. Anthony Odhiambo Mrs. Putence Nganga | Chairperson Secretary Member Member Member | 2 |

ST. STEPHEN'S ALUOR MIXED
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 31st June 2022

| | | | | |
|---|----------------------------------|--|--|---|
| | | Mr. Jared Ochola | Member | |
| 4 | Development Committee | Mr. Erick Akoth Mr. Jared Ochola Mr. Zacheaus Omollo Mr. Vincent Mayu Mr. Geoffrey Kola Mr. Anthony Odhiambo S.C.D.E | Chairperson Secretary Member Member Member Member Member | 2 |
| 5 | Discipline and welfare Committee | Mr. Anthony Odhiambo Mr. Geoffrey Kola Mrs. Rosemary Onyango Mr. Fredrick Osanya Ms. Putence Nganga Mr. Jared Ochola | Chairperson Secretary Member Member Member Member | 2 |

(d) School operation Management

For the financial year ended 31st June 2022 the School day-to-day management was under the following persons:

| Ref | Designation | Name | TSC Number |
|-----|------------------|--------------------------|------------|
| 1 | Principal | Mr. Vincent Wafula Mayu | 335050 |
| 2 | Deputy Principal | Mr. Jared Otieno Ochola | 306340 |
| 3 | School Bursar | Ms. Maurine Anyango Aila | ----- |

ST. STEPHEN'S ALUOR MIXED
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 31st June 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 190-40139 AKALA
Telephone: 0707672601
E-mail: st.stephensaluor@yahoo.com
Website: ---
Facebook: ---
Twitter: ---

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks:

1. Name of Bank: KCB
Branch: Kisumu
Account Number: 1130659569 (Operation)
2. Name of Bank: KCB
Branch: Kisumu
Account Number: 1132733774 (School Fund)
3. Name of Bank: KCB
Branch: Kisumu
Account Number: 1130659429 (Tuition)
4. Name of Bank: KCB
Branch: Luanda
Account Number: 1271966476 (Infrastructure)

(g) Independent Auditors

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

ST. STEPHEN'S ALUOR MIXED
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 31st Dec 2022

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:

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---------------------------------|---------------|--------------|--------------|--------------|
| Surplus/Deficit | (339,224.00) | 330,894.00 | (498,160.00) | (929,986.29) |
| Capitation | 7,130,796.00 | 3,027,873.00 | 4,146,363.00 | 3,072,479.31 |
| Capitation ratio per student | 15,302.1 | 10,813.80 | 15,188.00 | 16,072.5 |
| Other Incomes | 3,426,289.00 | 1,147,865.00 | 1,147,865.00 | 1,860,644.50 |
| Expenditure growth | 10,896,308.00 | 3,844,844.00 | 5,792,388.00 | 5,863,110.00 |
| Debtors | 1,509,793.5 | 597,563.5 | 663,326.00 | 595,510.90 |
| Creditors | - | - | 466,400.00 | 5,309.00 |
| Cash And Bank balances | 26,685.2 | 365,908.8 | 35,014.4 | 273,300.81 |

b) Teacher Student ratio: 1:21

Teachers recruited: 0

Teachers transferred: 0

Teachers employed(BOM) 1

No. of subject teachers: Maths – 4, Eng – 2, Kisw – 2, Geog – 2, Hist – 2, Agr – 2,
Bio – 2, Chem – 2, Phy – 2. CRE – 3, Hist – 2, Bis - 2

c) Mean score in the 2021KCSE:

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------------------|-----------------|--------------|--------------|
| Performance | 4.04 | 3.22 | 2.7 |
| Set Score | 4.00 | 3.5 | 3.00 |
| No. transitioned | 5 | 4 | 0 |
| Comment on improvement | Exceeded target | Below target | Below target |
| No. sitting | 56 | 49 | 74 |

ST. STEPHEN'S ALUOR MIXED
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 31st Dec: 2022

d) Capacity of the school:

| | |
|--------------------|-----|
| Current population | 298 |
| Dormitories | 0 |
| Dining hall | 0 |
| Laboratory | 1 |
| Toilets | 9 |
| Classes | 8 |

e) Development projects carried out by the school:

| Current Project: | Source Of Funds: |
|---------------------------|-----------------------|
| 2No. classrooms | Ministry of Education |
| Purchase of furniture | |
| Repair of classroom floor | |

Sign:



School Principal: MR. VINCENT WAFOLA NAYO

SENIOR PRINCIPAL
 ST. STEPHEN'S ALUOR MIXED
 SECONDARY SCHOOL
 BOX 187 - 40139, AKKALA
 Sign:


III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

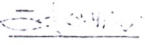
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

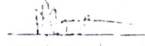
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of St. Stephen's Aluor Mixed 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, 2022, and of the school's financial position as at that date.

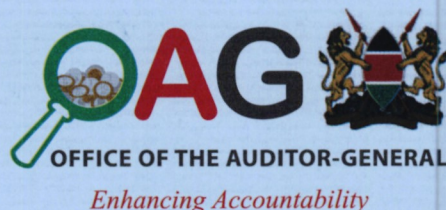
Name: Mr. Zacheaus Omollo Onyango
Designation: Chairman, School Board of Management
Sign: 
Date: 31/6/22

Name: Mr. Vincent Wafuka Mayu
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 31/6/22

Name: Ms. Maurine Anyango Aila
Designation: Bursar/ Finance Officer
Sign: 
Date: 31/6/22

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. STEPHEN'S ALUOR MIXED SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – SIAYA COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such 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 control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Stephen's Aluor Mixed Secondary School – Siaya County set out on pages 10 to 19, which comprise the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows 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 St. Stephen's Aluor Mixed Secondary School – Siaya County 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. Inaccuracies in the Financial Statements

The financial statements reflect various amounts that differed with the supporting schedules/ledgers resulting in unreconciled and unexplained variance as shown in the table below:

| Item | Financial Statements Amount (Kshs.) | Supporting Schedule Amount (Kshs.) | Variance (Kshs.) |
|---------------------------|-------------------------------------|------------------------------------|------------------|
| Payments for Tuition | 1,576,639 | 1,411,595 | 165,044 |
| Personnel emoluments | 0 | 1,197,390 | (1,197,390) |
| Admin Cost | 0 | 484,170 | (484,170) |
| Maintenance & improvement | 2,238,000 | 2,210,350 | 27,650 |
| Electricity and Water | 0 | 230,190 | (230,190) |
| Local Transport | 0 | 325,200 | (325,000) |
| Activity Expenses | 0 | 191,200 | (191,200) |
| Bank charges | 6,022 | 0 | 6,022 |
| Others | 3,457,597 | 0 | 3,457,597 |
| Lunch program | 3,601,978 | 2,492,473 | 1,109,505 |

Report of the Auditor-General on St. Stephens Aluor Mixed Secondary School for the year ended 30 June, 2022 - Siaya County

| Item | Financial Statements Amount (Kshs.) | Supporting Schedule Amount (Kshs.) | Variance (Kshs.) |
|--|-------------------------------------|------------------------------------|------------------|
| Bank charges | 16,072 | - | 16,072 |
| Accounts receivable-Fees arrears for previous year | 564,564 | - | 564,564 |

Further, no trial balance in support of the financial statements was provided for audit.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Inaccuracies in the Statement of Receipts and Payments

The statement of receipts and payments reflects total receipts amount of Kshs.10,557,085. However, review of the bank statements revealed receipts amounting to Kshs.11,440,485 resulting in an unexplained and an unreconciled variance of Kshs.883,400.

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

3. Unsupported Cash Withdrawals

The statement of receipts and payments reflects total payments amount of Kshs.10,896,308. However, review of the School's Operations and Infrastructure Accounts held at Kenya Commercial Bank Ltd revealed cash withdrawals amounting to Kshs.1,731,000 whose supporting documents showing works done, services rendered or goods delivered were not provided for audit.

In the circumstances, the propriety of the cash withdrawals amounting to Kshs.1,731,000 could not be confirmed.

4. Unsupported Local Transport Expenditure

The statement of receipts and payments reflects payments for operations amount of Kshs.5,701,619 as disclosed in Note 6 to the financial statements which includes payments amounting to Kshs.325,200 relating to local transport and travelling. However, evidence of travel, purpose of expenditure and appropriate authority to travel were not provided for audit.

In the circumstances, the propriety of the expenditure of Kshs.325,200 on local transport could not be confirmed.

5. Unsupported Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations balance of Kshs.5,701,619 as disclosed in Note 6 to the financial statements. Analysis of the School's bank statements revealed that co-curricular funds totalling Kshs.316,580 were transferred to Kenya Secondary School Heads Association (KESSHA) from capitation grants for operations funds. However, no evidence was provided for audit to show that KESSHA was eligible to receive funds from capitation grants for operations. Further, schedules and payment vouchers relating to the were not provided for audit.

In the circumstances, the propriety, accuracy and completeness of the transfers to KESSHA amount of Kshs.316,580 could not be confirmed.

6. Unsupported Accounts Receivables

The statement of financial assets and liabilities reflects accounts receivable balance of Kshs.1,509,794 which, as disclosed in Note 11 to the financial statements, relates to fees arrears. However, the School did not maintain students' debtors' statements as well as debtors' ledger schedules showing all the outstanding fees and their aging analysis.

In the circumstances, the accuracy and completeness and recoverability of the accounts receivables balance of Kshs.1,590,503 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St. Stephen's Aluor Public Mixed 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Prescribed Financial Reporting Framework

The financial statements do not include a statement of budgeted versus actual amounts, significant accounting policies and appendix on summary of fixed assets register. Further, some sections of the financial statements do not have headers and page numbers. Therefore, Management did not comply with the financial reporting template for public secondary schools, revised in June, 2021, as prescribed and published by the Public Sector Accounting Standards Board. This was contrary to Section 81(3) of the Public Finance Management Act, 2012, which requires an Accounting Officer of a National Government entity to prepare financial statements of the entity in a form that complies with the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

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

2. Unauthorized Opening and Operating Bank Accounts

The statement of financial assets and liabilities reflects a bank balance of Kshs.26,658 relating to four (4) bank accounts as disclosed in Note 8 to the financial statements. However, no National Treasury's authorities to open and operate these bank accounts were provided for audit, contrary to Section 28 of the Public Finance Management Act, 2012, and Regulation 82 of the Public Finance Management (National Government) Regulations, 2015, which require The National Treasury to authorize the opening, operating and closing of bank accounts and sub accounts for all Government entities.

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 matters described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an IT Service Continuity or Disaster Recovery Plan

The review of IT processes and preparedness in case of any unforeseen challenges revealed that the School did not have a data recovery strategy plan and therefore chances of data recovery in case of a calamity or disaster may not be possible. Further, there was no existing offsite back up storage facility. In addition, the School lacked an IT officer and IT strategic committee to steer the School forward on the IT system.

In the circumstances, the effectiveness of the IT resource service continuity and disaster recovery could not be confirmed.

2. Failure to Maintain a Fixed Assets Register

Review of records revealed that Management did not maintain a fixed asset register of the buildings, motor vehicles, office equipment, furniture and fittings and other assets. This was contrary to Regulation 143(1) of Public Finance Management (National Government) Regulations, 2015 which prescribes that 'the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws'.

In the circumstances, the effectiveness of controls in fixed assets management could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

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

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

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

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

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

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 October, 2023

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 October, 2023

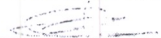
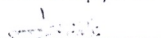

ST. STEPHEN'S ALUOR MIXED SECONDARY SCHOOL

I. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD

ENDING 30th JUNE 2022.

| DESCRIPTION OF VOTE HEAD | Note | 2021-2022 Kshs | 2020-2021 Kshs |
|--|------|-------------------|-------------------|
| RECEIPTS | | | |
| Capitation grants for tuition | 1 | 1,421,526 | 416,267 |
| Capitation grants for operations | 2 | 5,709,270 | 2,611,606 |
| School Fund Income- Parents' Contributions | 3 | 3,426,289 | 1,147,865 |
| School Fund Income- Other receipts | 4 | - | - |
| Proceeds from borrowings | | | |
| TOTAL RECEIPTS | | 10,557,084 | 4,175,738 |
| PAYMENTS | | | |
| Payments for Tuition | 5 | 1,576,639 | 417,388 |
| Payments for operations | 6 | 5,701,619 | 2,678,656 |
| Boarding and school fund payments | 7 | 3,618,050 | 748,800 |
| TOTAL PAYMENTS | | 10,896,308 | 3,844,844 |
| SURPLUS/DEFICIT | | (339,224) | 330,894 |

The school financial statements were approved on 3/10 2021 and signed by:

| | | |
|---|---|---|
| Sign:  | Sign:  | Sign:  |
| Name: <u>VINCENT M. MOYO</u> | Name: <u>VINCENT M. MOYO</u> | Name: <u>Maurine Anyango</u> |
| Chair BOM | School Principal/BOM Secretary | Bursar |
| Date: <u>03/10/22</u> | Date: <u>03/10/22</u> | Date: <u>3/10/22</u> |

ST. STEPHEN'S ALUOR MIXED SECONDARY SCHOOL

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30th JUNE

2022.

| | Note | 2021-2022 Kshs | 2020-2021 Kshs |
|--|------|-------------------|-------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 8 | 26,685 | 333,568 |
| Cash Balances | 9 | - | 32,341 |
| Short term Investment | 10 | - | - |
| Total Cash and Cash Equivalents | | 26,685 | 365,909 |
| Account's receivables | 11 | 1,509,794 | 1,590,503 |
| TOTAL FINANCIAL ASSETS | | 1,536,479 | 1,956,412 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | 12 | - | 30,709 |
| NET FINANCIAL ASSETS | | 1,536,479 | 1,875,703 |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July... | 13 | 1,875,703 | 1,544,809 |
| Surplus/Defict for the year | | (339,224) | 330,894 |
| NET FINANCIAL POSITION | | 1,536,479 | 1,875,703 |
| | | 0 | - |

The school financial statements were approved on _____ 2021 and signed by:

Sign: [Signature] Sign: [Signature] Sign: [Signature]
 Name: Z. MENDOZA O. OYIYOK Name: VINCENT W. NAYU Name: Maurine Anyango
 Chair BOM School Principal/BOM Secretary Bursar
 Date: 03/10/22 Date: 03/10/22 Date: 3/10/22

| ST. STEPHEN'S ALUOR MIXED SECONDARY SCHOOL | | | |
|---|----|-------------------|------------------|
| STATEMENT OF CASH FLOW FOR THE PERIOD ENDING 30 TH | | | |
| JUNE 2022. | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| Receipts from operating activities | | | |
| Capitation grants for tuition | 1 | 1,421,526 | 416,267 |
| Capitation grants for operations | 2 | 5,709,270 | 2,611,606 |
| School fund income- Parents contribution | 3 | 3,426,289 | 1,147,865 |
| School fund income- other receipts | 4 | - | - |
| Total receipts | | 10,557,084 | 4,175,738 |
| Payments | | | |
| Payments for Tuition | | 1,576,639 | 417,388 |
| Payments for operations | | 5,701,619 | 2,678,657 |
| Boarding and school fund payments | | 3,618,050 | 748,800 |
| | | 10,896,308 | 3,844,845 |
| Net cash flow from operating activities | | (339,224) | 330,895 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | | - | - |
| Acquisition of Assets | | - | - |
| Proceeds from investments | | - | - |
| Net cash flows from Investing Activities | | - | - |
| NET CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Proceeds from borrowings/ loans | | | |
| Repayment of principal borrowings | | | |
| Net cash flows from Investing Activities | | (339,224) | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (339,224) | 330,895 |
| Cash and cash equivalent at BEGINNING of the year | 10 | 365,909 | 35,014 |
| Cash and cash equivalent at END of the year | | 26,685 | 365,909 |
| | | 0 | 0 |

ST. STEPHEN'S ALUOR MIXED SECONDARY SCHOOL

I. NOTES TO THE FINANCIAL STATEMENTS

| 1 | | CAPITATION GRANT FOR TUITION | |
|---|--------------------------------------|---|------------|
| | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| | Textbooks and reference materials | - | 131,442.00 |
| | Exercise books | - | 68,000.00 |
| | Laboratory equipment | - | 102,000.00 |
| | Internal exams | - | 56,800.00 |
| | Teaching / learning materials | 1,421,525.60 | - |
| | Chalks | - | 35,000.00 |
| | Exams and assessment | - | - |
| | Reference/Library | - | 23,025.25 |
| | Teachers guides | - | - |
| | Total | 1,421,525.60 | 416,267.25 |
| 2 | | CAPITATION GRANT FOR OPERATIONS | |
| | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| | Personnel emoluments | - | 713,605.55 |
| | Maintenance and Improvement | 1,752,000.00 | 940,000.00 |
| | Local transport / travelling | - | 200,000.00 |
| | Electricity and water | - | 87,000.00 |
| | Medical | - | 0 |
| | Administration costs | - | 671,000.00 |
| | Others | 3,957,269.80 | 0 |
| | Activity | - | 0 |
| | Total | 5,709,269.80 | 2611605.55 |
| 3 | | PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT | |
| | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| | Personnel emoluments | - | - |
| | Fee on Boarding Equipment and Stores | - | - |
| | Maintenance and Improvement | - | - |
| | Local transport / travelling | - | - |

| | | |
|-----------------------|--------------|--------------|
| Electricity and water | - | - |
| Lunch | 3,426,289.00 | 1,147,865.00 |
| Administration costs | - | - |
| Activity | - | - |
| Total | 3,426,289.00 | 1,147,865.00 |

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

| | 2021-2022 | 2020-2021 |
|--------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Rent income | - | 0 |
| Income from farming activities | - | 0 |
| Insurance compensation | - | 0 |
| Income from Posho mill | - | 0 |
| Income from Bus Hire | - | 0 |
| Fee for hire of ground and equipment | - | 0 |
| Income from grants and donations** | - | 0 |
| Tender fees | - | 0 |
| Pocket Money | - | 0 |
| Caution Money | - | 0 |
| Dividends income | - | 0 |
| Total | - | 0 |

5 PAYMENTS FOR TUITION

| | 2021-2022 | 2020-2021 |
|-----------------------------------|--------------|------------|
| Textbooks and reference materials | - | - |
| Exercise books | - | - |
| Laboratory equipment | - | - |
| Internal exams | - | - |
| Teaching / learning materials | 1,574,785.00 | 413,044.00 |
| Chalks | - | - |
| Exams and assessment | - | - |
| Teachers guides | - | - |
| Administration Costs | - | - |
| Bank Charges | 1,854.00 | 4,344.00 |
| Total | 1,576,639.00 | 417,388.00 |

6

PAYMENTS FOR OPERATIONS

| | 2021-2022 | | 2020-2021 | |
|------------------------------|-----------|--------------|-----------|--------------|
| | | Kshs | | Kshs |
| Personnel emoluments | | - | | 1,378,062.00 |
| Service Gratuity | | - | | 0 |
| Administration Cost | | - | | 375,253.00 |
| Maintenance and Improvement | | 2,238,000.00 | | 676,200.00 |
| Local transport / travelling | | - | | 153,498.00 |
| Electricity and water | | - | | 64,733.00 |
| Others | | - | | 0 |
| Activity Expenses | | - | | 26,930.00 |
| Others | | 3,457,597.00 | | 0 |
| Insurance Cost | | - | | 0 |
| Bank Charges | | 6,022.00 | | 3,980.00 |
| Grants | | - | | |
| Acquisition of Assets | | - | | 0 |
| TOTAL | | 5,701,619.00 | | 2678656 |

7

BOARDING AND SCHOOL FUND PAYMENTS

| | | | | |
|--|--|--------------|--|------------|
| Personnel emoluments | | - | | 0 |
| Service Gratuity | | - | | 0 |
| Maintenance & Improvements | | - | | 0 |
| Local transport / travelling | | - | | 0 |
| Electricity and water | | - | | 0 |
| Medical Expenses | | - | | 0 |
| Administration costs | | - | | 0 |
| Lunch Programme | | 3,600,978.00 | | 740,342.00 |
| Bank Charges | | 13,072.00 | | 8,458.00 |
| Expenses on Income Generating Activities | | - | | 0 |
| Fee on Boarding Equipment and Stores | | - | | 0 |
| Activity Expenses | | - | | 0 |
| Pocket Money | | - | | 0 |
| Medical Expenses | | - | | 0 |
| Loan Interest repayment | | - | | 0 |
| Acquisition of Assets | | - | | 0 |
| TOTAL | | 3,614,050.00 | | 748800 |

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

ANK ACCOUNTS

| Name of Bank, Account No. & currency | Bank Account Number | 2021-2022 | 2020-2021 |
|--|---------------------|-----------|------------|
| | | Kshs | Kshs |
| Tuition Account | | 4,054.75 | 2,268.15 |
| Operations Account | | 6,351.95 | 53,258.15 |
| School Fund Account/Boarding | | 12,894.50 | 35,670.50 |
| Savings Account | | - | - |
| Parent Association Development Account | | - | - |
| Income generating activities Account | | - | - |
| Infrastructural Account | | 3,334.00 | 242,475.00 |
| Total | | 26,635.20 | 333,567.80 |

CASH IN HAND

| Description | 2021-2022 | 2020-2021 |
|---------------------|--------------|-----------|
| Tuition Account | (157,000.00) | - |
| Operation Account | 18,549.00 | 32,005.00 |
| School Fund account | 133,351.00 | 335.00 |
| Total | - | 32,341.00 |

SHORT TERM INVESTMENTS

| Description | 2021-2022 | 2020-2021 |
|-------------|-----------|-----------|
|-------------|-----------|-----------|

| | | Kshs | Kshs |
|--------------------|--|------|------|
| Cooperative shares | | - | - |
| Treasury Bills | | - | - |
| Fixed deposit | | - | - |
| Equity stock | | - | - |
| Other investments | | - | - |
| Total | | - | - |

11 ACCOUNTS RECEIVABLE

| Description | 2022-2023 | 2021-2022 |
|----------------------------|--------------|------------|
| | Kshs | Kshs |
| Fees arrears | 1,509,793.50 | 564,563.50 |
| Other non-fees receivables | - | - |
| P.A.Y.E | - | - |
| N.S.S.F | - | - |
| Salary advances | - | 99,000.00 |
| Imprest | - | - |
| Total | 1,509,793.50 | 564,563.50 |

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

| Description | 2022-2023 | 2021-2022 |
|---|--------------|------------|
| | Kshs | Kshs |
| Fees arrears for current year | 945,230.00 | 564,563.50 |
| Fees arrears for the previous year | 564,563.50 | - |
| Fees arrears for prior periods (over two years) | - | - |
| Total | 1,509,793.50 | 564,563.50 |

12 ACCOUNTS PAYABLE

| Description | 2022-2023 | 2021-2022 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Trade creditors (See ageing below and appendix 1) | - | - |
| Prepaid fees | - | - |
| Retention monies | - | - |
| Total | - | - |

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

| Description | 2021-2022 | 2020-2021 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Trade creditors for current year | - | - |
| Trade creditors for the previous year | - | - |
| Trade creditors for prior periods (over two years) | - | - |
| Total | - | - |

13 FUND BALANCE BROUGHT FORWARD

| Description | 2021-2022 | 2020-2021 |
|------------------------|--------------|------------|
| | Kshs | Kshs |
| Bank balances | 333,567.80 | - |
| Cash balances | 32,341.00 | - |
| Short Term Investments | - | - |
| Receivables | 1,590,502.70 | 597,563.50 |
| Payables | (30,709.00) | - |
| Total | 1,875,702.50 | - |

Other important disclosure notes

14 Non-current Liabilities Summary

| Description | 2021-2022 | 2020-2021 |
|------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Bank loan(s) | - | - |
| Outstanding Leases | - | - |
| Hire purchase | - | - |
| Gratuity and leave provision | - | - |
| Total | - | - |

15 Biological assets

| Description | 2021-2022 | 2020-2021 |
|-------------|-----------|-----------|
| | | |

| | | |
|--------------------------|---|---|
| Cattle | - | - |
| Goats | - | - |
| Trees | - | - |
| Coffee or tea plantation | - | - |
| Poultry | - | - |
| Total | - | - |

16 Borrowings

| Description | 2021-2022 | 2020-2021 |
|------------------------------------|-----------|-----------|
| | KShs | KShs |
| a) Borrowings | | |
| Borrowing at beginning of the year | - | - |
| Borrowings during the year | - | - |
| Repayments of during the year | - | - |
| Balance at end of the year | - | - |

17 1 Stock/ Inventory

| Description | 2021-2022 | 2020-2021 |
|--|--------------|--------------|
| Stock/ Inventory | | |
| Stock/ inventory at beginning of the year | 2,580,090.00 | 2,580,090.00 |
| Stock/ inventory purchased during the year | 5,012,065.00 | 2,000,560.00 |
| Stock/ inventory issued during the year | 6,978,000.00 | 6,708,552.00 |
| Balance at end of the year | 624,155.00 | 2,580,090.00 |