

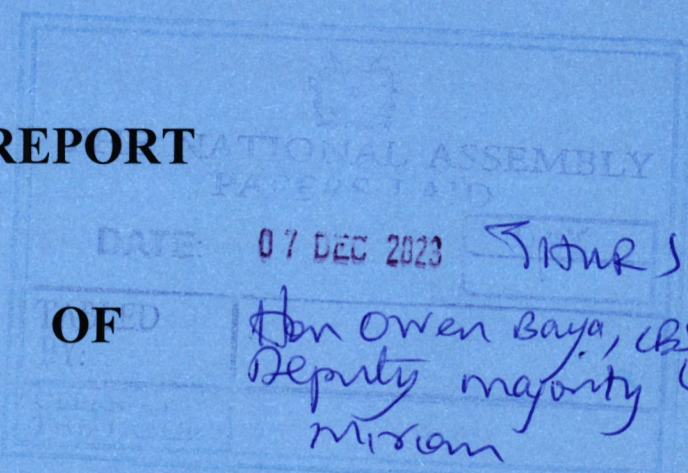
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

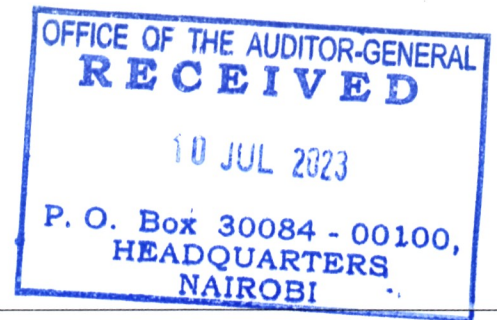
**JACK MWASHIMBA SECONDARY
SCHOOL**

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

TAITA/TAVETA COUNTY



(*JACK MWASHIMBA SECONDARY SCHOOL*)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022



JACK MWASHIMBA SECONDARY SCHOOL
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)

(JACK MWASHIMBA SECONDARY SCHOOL)
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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 Taita-Taveta County, Voi Sub-County

The school was registered in 27/10/2015 under registration number 06/s/0030/148 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day/boarding school and had 112 students as at 30th June 2022. It has 1 stream and 9 teachers of which 1 teacher is 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 | Rev. Dr. Reuben Ngume | Chairman | 18th June 2019 |
| 2 | Gregory Wambua Nguma | Secretary - Principal | 18th June 2019 |
| 3 | Chrispus Mbashu | Vice chairperson | 18th June 2019 |
| 4 | Julia Saru | Member | 18th June 2019 |
| 5 | Dr. Vicent Masawi | Member | 18th June 2019 |
| 6 | Sharlet Mshai | Member | 18th June 2019 |
| 7 | Irene Kinyingo | Rep Sponsor | 18th June 2019 |
| 8 | Simione Mwambui | Rep Sponsor | 18th June 2019 |
| 9 | Vivian Malemba | Member | 18th June 2019 |
| 10 | Hunderson Njuku | Member – Rep CEB | 18th June 2019 |
| 11 | Renson “Lumbo | Member Rep Teachers | 18th June 2019 |
| 12 | Arnest Mwanyangwa | 3 Members - Sponsor | 18th June 2019 |
| 13 | Aggry Shangala | Member - Community | 18th June 2019 |
| 14 | Elias Mwajama | Member Special Needs | 18th June 2019 |
| 15 | Andrew Wakesho | Rep Students | 18th June 2022 |

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of 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

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

| Ref: | Name of Committee | Names of Members | Designation | Number of meetings attended during the year |
|------|---|-----------------------|-----------------|---|
| 1 | Executive Committee | Rev. Dr. Reuben Ngume | Chairperson | 1 out of 2 |
| | | Gregory W. Nguma | Secretary | 1 out of 2 |
| | | Arnest Mwanyangwa | P.A Chairperson | 0 out of 2 |
| | | Irene Kinyingo | Member | 1 out of 2 |
| | | Hunderson Njuku | Member | 1 out of 2 |
| 2 | Academic Committee | Zakayo Benard | Chairperson | 2 out of 2 |
| | | Patience Mwemba | Secretary | 2 out of 2 |
| | | Rev. Dr. Reuben Ngume | Member | 2 out of 2 |
| | | Renson Lumbo | Member | 2 out of 2 |
| 3 | Development Committee | Simione Mwambui | Chairperson | 2 out of 2 |
| | | Irene Kinyingo | Secretary | 2 out of 2 |
| | | Aggry Shangala | Member | 2 out of 2 |
| | | Elias Mwajama | Member | 1 out of 2 |
| 4 | Discipline and welfare Committee | Renson Lumbo | Chirperson | 1 out of 1 |
| | | Gregory Wambua Nguma | Member | 1 out of 1 |
| | | Chrispus Mbashu | Member | 1 out of 1 |
| | | Sharlet Mshai | Member | 0 out of 0 |

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| | | | | |
|---|------------------------------------|--------------------|-------------|------------|
| 5 | Tender opening committee | Stephen Mwakisaghu | Chairperson | 1 out of 1 |
| | | Eunice Mugori | Secretary | 1 out of 1 |
| | | Sarah Malowe | Member | 1 out of 1 |
| | | | | |
| | Tender Evaluation committee | Zakayo Benard | Chairperson | 1 out of 1 |
| | | Joy Mwaluma | Secretary | 1 out of 1 |
| | | Stephen Mwakisaghu | Member | 1 out of 1 |

(d) School operation Management

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

| Ref: | Designation | Name | TSC Number |
|------|------------------|----------------------|------------|
| 1 | Principal | Gregory Wambua Nguma | 315763 |
| 2 | Deputy Principal | Renson Lumbo Mwasho | 305380 |
| 3 | School Bursar | Abdul Ndau Mwakio | 24518115 |
| | | | |

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 217-80300, Voi
 Telephone: 0710172134
 E-mail: jackmwashibaschool@yahoo.com

(f) School Bankers

The following school operated four bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- Name of Bank: Jack Mwashimba Secondary School(Operation Account)
 Branch: Equity Bank-Voi Branck
 Account Number: 0790263622984
- Name of Bank: Jack Mwashimba Secondary School(Tuition Account)
 Branch: Equity Bank-Voi Branck
 Account Number: 0790263623032
- Name of Bank: Jack Mwashimba Secondary School(School Fund Account)
 Branch: Equity Bank-Voi Branck
 Account Number: 0790260622753

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4. Name of Bank: Jack Mwashimba Secondary School(Infrastructure Account)
 Branch: Equity Bank-Voi Branch
 Account Number: 0790279731772

(g) Independent Auditors

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

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II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

Under this section, the following information should be given:

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

| <i>Year</i> | <i>Surplus/deficit</i> |
|------------------|------------------------|
| <i>2021/2022</i> | <i>(267,496)</i> |
| <i>2020/2021</i> | <i>1,114,801</i> |
| <i>2019/2020</i> | <i>182,315</i> |

The surplus reflected in the school financial statement reflects a negative drop. This is due to inflation of prices of commodities experienced in the country during the period.

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

| <i>Year</i> | <i>Capitation</i> | | |
|------------------|-------------------|------------------|------------------|
| | <i>Tuition</i> | <i>Operation</i> | <i>Total</i> |
| <i>2021/2022</i> | <i>369,179</i> | <i>1,602,995</i> | <i>1,972,174</i> |
| <i>2020/2021</i> | <i>211,702</i> | <i>950,175</i> | <i>1,161,877</i> |
| <i>2019/2020</i> | <i>355,780</i> | <i>1,775,291</i> | <i>2,131,071</i> |

Funds from the government through the ministry of education in form of capitation have reduced significantly. This is as a results of both low enrolment of the school and also reduction of the amount of funds disbursed to the schools by the government. The government is currently holding some capitation to facilitate purchase of textbooks and co-curricular activities which the amounts are deducted from source.

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Ratio of capitation grant per student over the last three years

| <i>Year</i> | <i>Enrolment</i> | <i>Amount</i> | <i>Capitation per student</i> |
|------------------|------------------|------------------|-------------------------------|
| <i>2021/2022</i> | <i>112</i> | <i>1,972,174</i> | <i>18,093</i> |
| <i>2020/2021</i> | <i>100</i> | <i>1,161,877</i> | <i>11,618</i> |
| <i>2019/2020</i> | <i>110</i> | <i>2,131,071</i> | <i>19,373</i> |

The amount of capitation received per student has reduced significantly from slightly above 19,000 per student to slightly above 11,000. This has been caused by reduction of the amount of funds disbursed to the schools by the government

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

The school has no any other source of income other than funds disbursed to the school by the government in form of capitation and those collected by the school from the parents to facilitate school lunch programme.

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

| <i>Year</i> | <i>2021/2022</i> | <i>2020/2021</i> | <i>2019/2020</i> |
|-----------------------|------------------|------------------|------------------|
| <i>Tuition</i> | <i>517,940</i> | <i>130,035</i> | <i>381,878</i> |
| <i>Operation</i> | <i>1,844,499</i> | <i>1,433,881</i> | <i>1,691,055</i> |
| <i>School fund</i> | <i>1,498,733</i> | <i>549,858</i> | <i>2,278,682</i> |
| <i>Infrastructure</i> | <i>896,173</i> | <i>0</i> | <i>0</i> |
| <i>Total</i> | <i>4,757,345</i> | <i>2,113,775</i> | <i>4,351,615</i> |

There is a positive growth of expenditure reflected in the year 2021/2022. The growth in 2021/2022 has been due to inflation experienced in the country during the period. The school was also in full operation during period as compared to financial year 2020/2021 where school operated only for some part of the year.

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

| Year | 2021/2022 | | 2020/2021 | | 2020 | |
|-----------------------|-----------|------------|-----------|-----------|-----------|-----------|
| | Debtors | Creditors | Debtors | Creditors | Debtors | Creditors |
| Tuition | 0 | 165,400.00 | 0 | 41,198 | 0 | 18,000 |
| Operation | 0 | 205,229 | 0 | 192,105 | 0 | 162,857 |
| School fund | 3,593,774 | 74,835 | 2,988,818 | 275,580 | 2,411,470 | 33,014 |
| Infrastructure | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 3,593,774 | 445,464 | 2,988,818 | 508,883 | 2,411,470 | 515,871 |

Debtors over the last three years in school fund account have increased significantly. This is due to poor payment of school fees by the students or parents. Students who complete form four have Creditors have also reduced in the last three years to a small amount in operation account and none in both school fund and tuition account. The school has resolved to stick to its budget and also ensure it collects enough school fees to enable it pay its creditors.

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

| Year | Cash | Bank | Total |
|-----------|-------|---------|---------|
| 2021/2022 | 335 | 65,764 | 66,098 |
| 2020/2021 | 2,470 | 3729 | 6,199 |
| 2019/2020 | 4,001 | 255,093 | 229,094 |

Total cash and bank balances per year indicated in the table above includes cash and bank balances for both tuition account, operation account and school fund accounts. The total amount of 66,098 for the FY 2021/2022 includes kshs.31,827 which was meant for infrastructure development. The money could only be utilised immediately the school gets approval from the county director of education.

Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.

b) **Teacher Student ratio:**

The school has a total of 112 students and nine teachers including one employed by the board of management. No teacher was deployed/transferred during the year. None of the teachers either retired or transferred within the year. The ratio of teacher to student is 1:12.

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c) Mean score in the 2019/2020/2021 KCSE:

| <i>Year</i> | <i>No. of students who joined tertiary</i> | <i>Mean score</i> | <i>Comments</i> |
|-------------|--|-------------------|------------------------------|
| 2021 | 0 | 2.21 | There was a slight drop |
| 2020 | 1 | 2.82 | There was slight improvement |
| 2019 | 0 | 2.63 | There was slight improvement |

A slight positive improvement has been registered by the school in the 2021 KCSE Exam.

d) Number of Candidates in the 2019/2020/2021 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

| <i>Year</i> | <i>No. students</i> |
|-------------|---------------------|
| 2021 | 24 |
| 2020 | 22 |
| 2019 | 30 |

The school enrolled a small number of students transiting from the neighbouring primary school to join it for secondary education. This small number from primary is reflected by the number of students doing K.C.S.E.

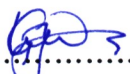
e) Capacity of the school:

The school is a day secondary with a population of 112 students. The school can accommodate 160 students when fully to capacity. The low enrolment of the school is caused by small number of students who transit from the neighbouring surrounding primary schools to join the school. Currently the school has the following facilities;- 1 modern administration block, 4 classrooms, 1 science laboratory, 3 door toilets for girls, 3 door toilets for boys and 2 door toilets for both male and female teachers.

f) Development projects carried out by the school:

| <i>Year</i> | <i>Project</i> | <i>Source of fund</i> | <i>Project cost</i> |
|-------------|---------------------------|-----------------------|---------------------|
| 2021/2022 | 3 Door Modern Pit Latrine | M.O.E Grants | Kshs.371,088 |

During the year 2021/2022 the school constructed a 3 door modern pit latrine. The project was fully funded by school through funds sent as improvement grants by the ministry of education.

Sign.....

School Principal

PRINCIPAL
JACK MWASHIMBA SEC. SCHOOL
P. C. Box KITIVO - VOI
 Date: 7/7/22 Sign: 

(JACK MWASHIMBA SECONDARY SCHOOL)
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III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

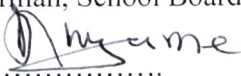
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

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

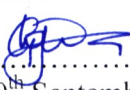
The Board of Management of *Jack Mwashimba Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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: Rev. Dr. Reuben Ngume
Designation: Chairman, School Board of Management

Sign: 
Date: 30th September 2022

Name: Gregory Wambua Nguma
Designation: School Principal & Secretary to Board of Management

Sign: 
Date: 30th September 2022

Name: Abdul Ndanu Mwakio
Designation: Bursar/ Finance Officer

Sign: 
Date: 30th September 2022

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 JACK MWASHIMBA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – TAITA/TAVETA 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 controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jack Mwashimba Secondary School – Taita/Taveta County set out on pages 12 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments,

Report of the Auditor-General on Jack Mwashimba Secondary School for the year ended 30 June, 2022 - Taita/Taveta County

statement of cash flows and 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 the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Jack Mwashimba Secondary School -Taita/Taveta 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

Note 15 and Annex 2 to the financial statements indicate that the school did not have any stores and fixed assets balances. However, review of the School records revealed that the Schools had store ledgers with balances and a listing of assets.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Jack Mwashimba 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

1.0 Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.4,886,920 and Kshs.4,489,849 respectively, resulting to an underfunding of Kshs.397,071 or 8% of the budget. Similarly, the School spent Kshs.4,064,657 against an approved budget of Kshs.4,886,920 resulting to an underperformance of Kshs.822,263 or 17% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the students.

2.0 Under Receipts of School Capitation

Review of capitation receipts revealed that the school received less capitation for both tuition and operations activities as indicated below:

| Component | Capitation Received (Kshs.) | Average no. of Students | Actual Capitation per Student (Kshs.) | Expected Capitation per Student (Kshs.) | Under Capitation per Student (Kshs.) | Total Under Capitation Not Received (Kshs.) |
|--------------|-----------------------------|-------------------------|---------------------------------------|---|--------------------------------------|---|
| Tuition | 332,969 | 112 | 2,959 | 4,644 | (1,685) | (188,765) |
| Operation | 1,460,399 | 112 | 13,082 | 15,400 | (2,318) | (259,594) |
| Total | 1,793,368 | | 16,041 | 20,044 | (4,003) | (448,359) |

The underfunding may have negatively affected the delivery of services to the students

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. Lack of an Annual Procurement Plan and a Disposal Plan

The School did not have in place an approved procurement plan for the year. In addition, goods and services received were not subjected to an Inspection and Acceptance Committee and the School did not have in place a disposal plan to enable disposal of obsolete good and services. This was contrary to the requirements of Sections 45 (3)(a), 48 (3) and 163(1) of the Public Procurement and Asset Disposal Act, 2015.

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

2. Lack of a School Improvement Plan

The School did not have a School Improvement Plan. This was contrary to Section 2.2 of the Ministry of Education Operation Manual for utilization of learners Capitation Grant and Other School Funds.

In the circumstances, Management did not comply with the provisions of the Operation Manual for Utilization of Learners Capitation Grant and Other School Funds.

3. Lack of a Disaster Management Committee and Emergency Fund

Review of the Board minutes and the School's policies revealed that there is no Disaster Management Committee in place to oversee the implementation of disaster management initiatives and ensure that the School had a contingency plan in place.

In the circumstances, Management may not properly mitigate and cushion the school in the event of an emergency situation or major disaster.

4. Variance in Student Enrolment Under National Education Management Information System (NEMIS)

Review of NEMIS records from the Ministry of Education revealed that the number of students enrolled as per class registers was one hundred and nine (109) students. However, the number of students as per the NEMIS number was seventy seven (77) students resulting to an unexplained variance of thirty two (32) students.

In the circumstances, the funding through capitation may not be based on accurate records.

5. Non-Withholding of Tax Under School Infrastructure

Review of construction contracts for the girl's toilets revealed that the School did not withhold 3% taxes net of VAT to Kenya Revenue Authority (KRA) on an invoice valued at Kshs.371,088 as required by the Income Tax Act. Further, the School Management did not withhold 10% retention money from the payments made to the contractor as required when making payments for works in contract management.

In the circumstances, Management was in breach of the law and contract management practices.

6. Long Outstanding Receivables

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.3,593,774 as disclosed in Note 10 to the financial statements. The receivables include a balance of Kshs.2,979,819 owed by students who had completed school. However, the School did not have in place a mechanism to ensure the fees arrears were recovered.

In the circumstances, the recoverability of the long outstanding student balance of Kshs.2,979,819 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 overall governance were not effective.

Basis for Conclusion

1. Weak Internal Controls and Non-Segregation of Duties

Examination of the School's payment systems revealed that the School did not have a full time Accounts Clerk/Bursar despite the position being in the School organogram. The accounting work is done by the Principal who was not well equipped to prepare books of accounts completely and accurately.

Further, review of a sampled payment vouchers revealed that the payment vouchers were not examined, verified and approved by different persons as required instead they were only authorized by the Principal who was the Accounting Officer and therefore no segregation of duties to ensure checks and balances.

In the circumstances, the weak internal controls and lack of segregation of duties may result to misappropriation of public funds.

2. Inadequate Controls in the Management of Inventory

Review of store records revealed that the stock take as at the end of the year was not carried out. Further, there were inconsistencies in updating the store ledgers as some items revealed that they were last updated five (5) years ago. The receipts, issues and balances had not been documented and therefore the correct stores ledger balances could not be confirmed.

In the circumstances, weak controls in the management of inventory may result to loss or misappropriation of inventories.

3. Lack of Fixed Asset Register

Review of the assets listing indicates that the School did not maintain a comprehensive fixed asset register indicating the values of the assets.

In addition, seventeen (17) acres of land was donated to the school by the community which was hived from the thirty four (34) acres of land allocated Mwakajo Primary School. However, the allotment process to transfer the seventeen (17) acres had not commenced and the title deed was still in the name of the Primary School nine (9) years since the donation.

In the circumstances, the effective control and management of assets by the School Management could not be confirmed.

4. Under Qualification of Board of Management

Review of the Board of Management Members nomination curriculum vitae (CVs) revealed that two (2) Members had a diploma while the 11 Members had KCSE certificate. This was contrary to Regulation 6 (b) of the Basic Education Regulations, 2015 which states that the minimum qualifications of the Chairmen and Members of Boards of Management shall be in the case of a Secondary School or a middle level college, a degree from a university recognized in Kenya, and a KCSE certificate respectively.

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

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 the 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 control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 the 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

(JACK MWAHIMBA SECONDARY SCHOOL)
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V. STATEMENT OF RECEIPTS AND PAYMENTS

| DESCRIPTION OF VOTE HEAD | Note | 2021-2022 | 2020-2021 |
|--|------|------------------|------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Capitation grants for tuition | 1 | 369,179 | 132,881 |
| Capitation grants for operations | 2 | 1,602,995 | 860,451 |
| School Fund Income- Parents' Contributions | 3 | 2,517,675 | 1,626,124 |
| TOTAL RECEIPTS | | 4,489,849 | 2,619,456 |
| PAYMENTS | | | |
| Payments for Tuition | 4 | 517,940 | 98,060 |
| Payments for operations | 5 | 1,844,499 | 610,797 |
| Boarding and school fund payments | 6 | 1,498,733 | 746,460 |
| Infrastructure payments | 7 | 896,173 | - |
| TOTAL PAYMENTS | | 4,757,345 | 1,455,317 |
| SURPLUS/DEFICIT | | (267,496) | 1,164,139 |

| | | |
|----------------|---------|-----------|
| Tuition | DEFICT | (148,761) |
| operation | DEFICT | (241,504) |
| School fund | SURPLUS | 1,018,942 |
| Infrastructure | DEFICT | (896,173) |

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

Name: Rev. Dr. Reuben Ngome
 Chairman, BoM

Sign: [Signature]

Date: 07/07/2023

Name: Gregory W. Nguma
 School: Principal/Secretary to BoM

Sign: [Signature]

Date: 7/7/2023

Name: Abdul Mwakio
 Bursar/Finance

Sign: [Signature]

Date: 7/7/2023

(JACK MWASHIMBA SECONDARY SCHOOL)
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VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

| | Note | 2021 - 2022 | 2020 - 2021 |
|--|-------|------------------|------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 8 | 65,763 | 745,883 |
| Cash Balances | 9 | 335 | 72,355 |
| Total Cash and Cash Equivalents | | 66,098 | 818,238 |
| Account's receivables | 10 | 3,593,774 | 2,979,819 |
| TOTAL FINANCIAL ASSETS | | 3,659,872 | 3,798,057 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | 11 | 445,464 | 316,153 |
| NET FINANCIAL ASSETS | | 3,214,408 | 3,481,904 |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July... | 12 | 3,481,904 | 2,317,765 |
| Surplus/Deficit for the year | R & P | (267,496) | 1,164,139 |
| NET FINANCIAL POSITION | | 3,214,408 | 3,481,904 |

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

Name: Rev. Dr. Reuben Nguma
 Chairman, BoM

Sign: [Signature]

Date: 07/07/2023

Name: Gregory W. Nguma
 School: Principal/Secretary to BoM

Sign: [Signature]

Date: 7/7/2023

Name: Abdul Mwaigyo
 Bursar/Finance

Sign: [Signature]

Date: 7/7/2023

VII. STATEMENT OF CASH FLOW

(JACK MWASHIMBA SECONDARY SCHOOL)
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| | | 2021 - 2022 | 2020 - 2021 |
|---|--|------------------|------------------|
| | | Kshs | Kshs |
| Receipts from operating activities | | | |
| Capitation grants for tuition | | 369,179 | 132,881 |
| Capitation grants for operations/Infrastructure | | 1,602,995 | 860,451 |
| School fund income- Parents contributions/ fees | | 1,903,720 | 1,066,775 |
| Infrastructure | | - | - |
| Total receipts | | 3,875,894 | 2,060,107 |
| Payments | | | |
| Payments for Tuition | | 517,940 | 98,060 |
| Payments for operations | | 1,844,499 | 610,797 |
| Boarding and school fund payments | | 1,369,422 | 939,190 |
| Infrastructure | | 896,173 | - |
| | | 4,628,034 | 1,648,047 |
| Net cash flow from operating activities | | (752,140) | 412,060 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | | - | - |
| Acquisition of Assets | | - | - |
| Proceeds from investments | | - | - |
| Net cash flows from Investing Activities | | - | - |
| CASHFLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings/ loans | | - | - |
| Repayment of principal borrowings | | - | - |
| Net cash flows from Financing Activities | | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (752,140) | 412,060 |
| Cash and cash equivalent at BEGINNING of the year (Note 8 & 9 previous year) | | 818,238 | 406,178 |
| Cash and cash equivalent at END of the year (Note 8 & 9 current year) | | 66,098 | 818,238 |

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.

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30th June 2022

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|--|------------------|-------------|------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| Receipts | | | | | | |
| Capitation Grant On Tuition | | | | | | |
| Tuition | 364,540 | - | 364,540 | 369,179 | (4,639) | 101% |
| Capitation Grant On Operations | | | | | | |
| Other Voteheads | 1,810,880 | - | 1,810,880 | 1,602,995 | 207,885 | 89% |
| Fees Charged On Parents | | | | | | |
| Lunch Programme | 2,711,500 | - | 2,711,500 | 2,517,675 | 193,825 | 93% |
| Total Income | 4,886,920 | - | 4,886,920 | 4,489,849 | 397,071 | 92% |
| | | | | | | |
| Expenditure For Tuition | | | | | | |
| Tuition | 364,540 | - | 364,540 | 517,940 | (153,400) | 142% |
| Payments For Operations | | | | | | |
| Personal Emoluments | 557,040 | - | 557,040 | 692,688 | (135,648) | 124% |
| Maintenance And Improvement | 555,000 | - | 555,000 | 181,780 | 373,220 | 33% |
| Activity Expenses | 375,200 | - | 375,200 | 350,500 | 24,700 | 93% |
| Other Voteheads | 880,680 | | 880,680 | 619,531 | 261,149 | 70% |
| Boarding And School Fund Payments | | | | | | |
| Luch Programme | 2,711,500 | - | 2,711,500 | 1,498,733 | 1,212,767 | 55% |
| Payments For Infrastructure | | | | | | |
| | | | - | 896,173 | (896,173) | -100% |
| Total | 4,886,920 | - | 4,886,920 | 4,064,657 | 822,263 | 83% |

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

- i. Underutilization was caused by less activities incurred due to the restriction of the Covid 19.
- ii. Over utilization was caused by inflation of most product and services which are commonly consumed by the school.
- iii. The Ministry of Education also reduced funding by retaining part of the capitation to purchase text books, pay for Edu Afya and also Sesame

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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X. NOTES TO THE FINANCIAL STATEMENTS

| 1 | CAPITATION GRANT FOR TUITION | | |
|----------|--|------------------|------------------|
| | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| | Teaching/learning materials | 369,179 | 132,881 |
| | Total | 369,179 | 132,881 |
| 2 | CAPITATION GRANT FOR OPERATIONS | | |
| | | 2020-2021 | - |
| | | Kshs | Kshs |
| | Repairs Maint. and Improvement(RMI) | - | 204,000 |
| | Other Votehead | 1,602,995 | 656,451 |
| | Total | 1,602,995 | 860,451 |
| 3 | PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT | | |
| | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| | Boarding, Equipment & Stores | 2,517,675 | 1,626,124 |
| | Total | 2,517,675 | 1,626,124 |
| 4 | PAYMENTS FOR TUITION | | |
| | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| | Stationery | 167,050 | 36,000 |
| | Internal Exam | 230,855 | 30,000 |
| | Lab Equipment | 87,210 | 11,100 |
| | Teaching/learning materials | 30,000 | 20,000 |
| | Administration Cost | 2,825 | 960 |
| | Total | 517,940 | 98,060 |
| 5 | PAYMENTS FOR OPERATIONS | | |
| | | 2021-2022 | 2020-2021 |
| | | Kshs | Kshs |
| | P/ Emoluments | 692,688 | 283,927 |
| | Maintenance and Improvement | 181,780 | 16,080 |
| | Activity | 350,500 | 187,200 |
| | Ewc | 1,050 | - |

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| | | | | |
|----------|---|----------------------------|------------------|------------------|
| | L.T.T | | 64,500 | 39,400 |
| | Admin | | 553,981 | 84,190 |
| | TOTAL | | 1,844,499 | 610,797 |
| 6 | BOARDING AND SCHOOL FUND PAYMENTS | | | |
| | | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Boarding Equipment & Stores | | 1,114,046 | 340,756 |
| | Admin. Cost | | 114,160 | 28,690 |
| | Activity | | 95,000 | 180,300 |
| | P/ Emoluments | | 175,527 | 196,714 |
| | TOTAL | | 1,498,733 | 746,460 |
| 7 | PAYMENTS FOR INFRASTRUCTURE | | | |
| | | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Admin Cost | | 1,385 | - |
| | Office Tables | | 190,000 | - |
| | Laboratory Stools | | 183,700 | - |
| | Toilet Construction | | 371,088 | - |
| | Class Construction | | 150,000 | - |
| | TOTAL | | 896,173 | - |
| 8 | BANK ACCOUNTS | | | |
| | Name of Bank, Account No. & currency | Bank Account Number | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Tuition Account | 0790263623032 | 22,127 | 5,488 |
| | Operations Account | 0790263622984 | 5,858 | 48,966 |
| | School Fund Account/Boarding | 0790260622753 | 5,951 | 91,429 |
| | Infrastructural Account | 0790279731772 | 31,827 | 600,000 |
| | Total | | 65,763 | 745,883 |
| 9 | CASH IN HAND | | | |
| | Description | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | School Fund account | | 335 | 72,355 |

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| | | | | |
|-----------|---|--|------------------|------------------|
| | Total | | 335 | 72,355 |
| 10 | ACCOUNTS RECEIVABLE | | | |
| | Description | | 2020-2021 | 2020-2021 |
| | | | Kshs | Kshs |
| | Fees arrears | | 3,593,774 | 2,979,819 |
| | Total | | 3,593,774 | 2,979,819 |
| | Description | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Fees arrears for current year | | 613,955 | 568,349 |
| | Fees arrears for the previous year | | 568,349 | 514,454 |
| | Fees arrears for prior periods (over two years) | | 2,411,470 | 1,897,016 |
| | Total | | 3,593,774 | 2,979,819 |
| 11 | ACCOUNTS PAYABLE | | | |
| | Description | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Trade creditors (See ageing below and appendix 1) | | 445,464 | 316,153 |
| | Total | | 445,464 | 316,153 |
| | Description | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Trade creditors for current year | | 356,332 | 316,153 |
| | Trade creditors for the previous year | | 89,132 | - |
| | Total | | 445,464 | 316,153 |
| 12 | FUND BALANCE BROUGHT FORWARD | | | |
| | Description | | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Bank balances | | 65,763 | 745,883 |
| | Cash balances | | 335 | 72,355 |
| | Receivables | | 3,593,774 | 2,979,819 |
| | Payables | | (316,153) | (316,153) |
| | Total | | 3,343,719 | 3,481,904 |
| | Other important disclosure notes | | | |

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| | | | | |
|-----------|--|----------------|------------------|------------------|
| | | | | |
| | | | | |
| 13 | Biological assets | | | |
| | | | | |
| | Description | Numbers | 2021-2022 | 2020-2021 |
| | | | Kshs | Kshs |
| | Cattle | | | - |
| | Goats | | | - |
| | Trees | | | - |
| | Coffee or tea plantation | | | - |
| | Poultry | | | - |
| | Total | | | - |
| | | | | |
| 14 | 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 | | | - |
| | | | | |
| 15 | Stock/ Inventory | | | |
| | Description | | 2021-2022 | 2020-2021 |
| | | | KShs | KShs |
| | Stock/Inventory | | | |
| | Stock/ inventory at beginning of the year | | | - |
| | Stock/ inventory purchased during the year | | | - |
| | Stock/ inventory issued during the year | | | - |
| | Balance at end of the year | | | - |

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| 16 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS | | | |
|---|----------------------------|---|------------------|
| The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. | | | |
| Issue/ Observation from Auditor | Management comments | Status: (Resolved /Not Resolved) | Timeframe |
| There were not audit issues at the time of preparing the financial statements | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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XI. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLES

| Supplier of Goods or Services | | | | |
|------------------------------------|----------------|----------------|------------------|----------------|
| Sub-total | Balance 2021 | Addition | Paid 2022 | Balance 2022 |
| Supply of goods | | | | |
| 1. Mvoi Ventures | 11,198 | 30,500 | | 41,698 |
| 2. Joe Timber Hardware | 13,540 | | | 13,540 |
| 3. Jaytee Sporting Solution | 34,283 | | (34,280) | 3 |
| 4. Jetlink Educational Enterprises | 16,000 | 45,000 | | 61,000 |
| 5. Maza Timothy | - | | 8,775 | 8,775 |
| 6. Jemka Enterprises | 38,350 | | | 38,350 |
| 7. John Mwasaru Mghoi | 10,900 | | | 10,900 |
| 8. Nashion Mwashighadi | 4,200 | | | 4,200 |
| 9. Multiple Seven | - | 11,850 | | 11,850 |
| 10. Dulahbin Enterprises Ltd | - | 68,050 | | 68,050 |
| 11. Kimwa Safety Solutions | - | 50,000 | | 50,000 |
| 12. Highway Services | - | 10,000 | | 10,000 |
| 12. Gregory Nguma | 35,000 | 7,020 | | 42,020 |
| 13. Oghil Investments Ltd | (900) | 13,510 | | 12,610 |
| 14. Eliud Supplies | - | | | - |
| Sub total | 162,571 | 235,930 | (25,505) | 372,996 |
| Supply of services | - | | | - |
| 15. Personal emolment | 114,582 | | (37,990) | 76,592 |
| 16. Danson Mwamburi | 39,000 | | (39,000) | - |
| Sub-total | 153,582 | - | (76,990) | 76,592 |
| Grand total | 316,153 | 235,930 | (102,495) | 449,588 |

(JACK MWASHIMBA SECONDARY SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

XII. ANNEX 2 - SUMMARY OF FIXED ASSET REGISTER

| Asset class | Date purchased | Location | Historical cost b/f (Kshs) 1st July 2020 | Additions during the year (kshs) | Disposal during the year (kshs) | Historical cost c/f (kshs) 30th June 2020 |
|--|----------------|----------|--|----------------------------------|---------------------------------|---|
| Land 1 | | | | | | |
| Land 2 | | | | | | |
| Buildings and structures | | | | | | |
| Motor vehicles | | | | | | |
| Office equipment, furniture and fittings | | | | | | |
| ICT Equipment and Other ICT Assets | | | | | | |
| Tools and apparatus | | | | | | |
| Textbooks | | | | | | |
| Other machinery and Equipment | | | | | | |
| Heritage and cultural assets | | | | | | |
| Intangible assets - software | | | | | | |
| Total | | | | | | |

