

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

DATE: 07 DEC 2023

07 DEC 2023

*Aties*

*Hon Owen Baya CBSMP  
Deputy majority leader*

*mman*

PARLIAMENT  
OF KENYA  
LIBRARY

TABLED  
BY: OF

OF

CLERK AT  
THE HOUSE

**THE AUDITOR-GENERAL**

**ON**

**MASOSA MIXED SECONDARY SCHOOL**

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

**NYAMIRA COUNTY**



---

**MASOSA MIXED SECONDARY SCHOOL.  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

---

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



**Masosa Mixed Secondary School**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

---

<b>Table of Contents</b>	<b>Page</b>
I. Key School Information And Management.....	iv
II. Summary Report Of Performance Of The School.....	viii
III. Statement Of School Management Responsibility.....	xvii
IV. Report Of The Independent Auditors.....	xviii
V. Statement of Receipts and Payments Period to 30 <sup>th</sup> June 2022.....	1
VI. Statement Of Financial Assets And Financial Liabilities As At 30 <sup>th</sup> June 2022.....	2
VII. Statement of Cash Flows for the Period Ended 30 <sup>th</sup> June 2022.....	3
VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2022.....	4
IX. Significant Accounting Policies.....	8
X. Notes To The Financial Statements.....	10

**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 Nyamira County, Nyamira south Sub-County

The school was registered in 07/10/2014 under registration number 046/p/3000/010 and is currently categorized as an extra county public school established, owned or operated by the Government.

The school is a day/boarding school and had 750 students as at 30 June 2022. It has 15 streams and 31 teachers of which 10 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:

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Mr. Gwaro Mosiria	Chairman	05/May2022
2	Mr. Wilfred Mboga	Secretary- Principal	05/May2022
3	Mr. John Mongare	V/Chairman	05/May2022
4	Mr. George Olwal	Member	05/May2022
5	Mr. Bonface Kegusu	Member	05/May2022
6	Mr. Duncan Moriasi	Member	05/May2022
7	Mrs. Lucy Mwangi	Sponsor	05/May2022
8	Mrs. Nancy Momanyi	Member	05/May2022
9	Mr. Felix Michira	Member – Rep Ceb	05/May2022
10	Mr. Gekara Ogaro	Member Rep Teachers	05/May2022
11	Mrs. Cristine Nyasimi	Member	05/May2022
12	Mrs Mary Kimwomi	Member - Community	05/May2022
13	Mr. Enock Obuba	Memberspecial Needs	05/May2022
14	Stacy Adhiambo	Rep Students	05/May2022
15	Mr. Livingstone Momanyi	Chief	05/May2022
16	Hon. Elijah Osiemo	Mca	05/May2022
17	Mr. David Juma	Pa. Chairman	05/May2022

**Key School Information and Management (Continued)**

**The functions 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 par 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Mr.Gwaro Mosiria	Chairman	2 out of 3
		2.Mr. Wilfred mboga	Secretary	3 out of 3
		3.Ms. Lucy Mwangi	Treasurer	3 out of 3
		4.Mr. John Mongare	V/Chairman	2 out of 3
		5.Mr David Juma	P.A Chairman	2 out of 3
2	Audit Committee	1.Mr.Bonface kegusu	Chairman	1 out of 3
		2.Ms.Lucy Mwangi	Secretary	2 out of 3
		3.Mr. David Juma	Member	2 out of 3
3	Finance,procurement and general purposes Committee	1.Mr. George Olwal	Chairman	2 out of 3
		2.Mr. Nancy Momanyi	Secretary	2 out of 3
		3.Mr Bonface Kegusu	Member	3 out of 3
4	Academic Committee	1.Mr. Enock obuba	Chairman	2 out of 3
		2.Mr. Mary kimwomi	Secretary	2 out of 3
		3.Mr.David Juma	Member	3 out of 3
5	Development Committee	1.Mr. Felix Michira	Chairman	2 out of 3
		2. Ms. Lucy Mwangi	Secretary	2 out of 3
		3.Mr. Martin ongwae	Member	2 out of 3
6	Discipline and welfare Committee	1.Mr,Dancan Moriasi	Chairman	2 out of 3
		2.Ms. Christine Nyasimi	Secretary	2 out of 3
		3.Mr.Crispus Ogaro	Member	3 out of 3

**Key School Information and Management (Continued)****(d) School Operation Management**

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

<b>Ref:</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number</b>
1	Principal	James Mogusu	368156
2	Deputy Principal	Wilfred Mboga	416070
3	School Bursar	Jackline Momanyi	21047962

**(e) Schools contacts**

Post Office Box: 1080-40500  
Telephone: 0726479616  
E-mail: masosamixedsec@gmail.com

**(f) School Bankers**

The school operated 7(seven) number of bank accounts and one pay bill number as follows ;

1. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1103243543
2. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1107011604
3. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1103241974
4. Name of Bank: EQUITY  
Branch: Nyamira  
Account Number: 0520297040043
5. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1266400265
6. Name of Bank: KCB  
Branch: Nyamira  
Account Number: 1103245813
7. Name of Bank: EQUITY  
Branch: Nyamira  
Account Number: 0520299604086
8. Mpesa Pay bill  
Business Number: 522123  
Account Number: 70025k  
Attached to bank account: 1103241974

**(g) Independent Auditors**

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



**II. Summary Report Of Performance Of The School**

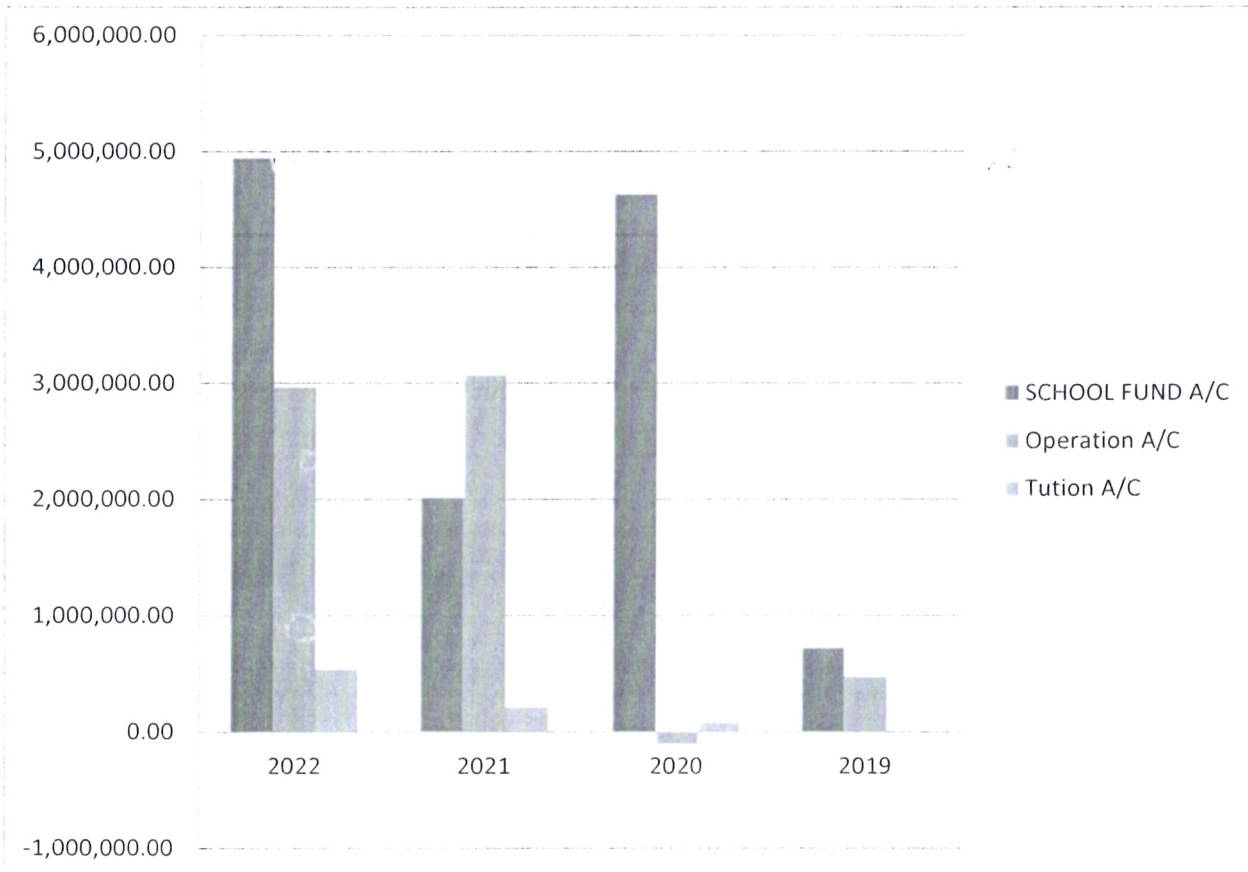
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

Under this section, it reflects the actual financial performance trend for the last four years period between 1<sup>st</sup> January 2019 to 30<sup>th</sup> June 2022 which covers a period of 12 months while 30<sup>th</sup> June 2021 covers a period of 6 months and is summarised as follows;

**Surplus/Deficit for the Year and Comparison of the Same for the Last Four Years**

<i>S.no</i>	<i>Accounts</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	7,145,903	1,117,319	4,630,777	720,384
2	Operation Account	-8,400,317	1,572,249	-105,403	474,869
3	Tuition Account	-698,816	216,327	85,707	8,408
	<b>TOTALS</b>	<b>-1,324,230</b>	<b>2,905,895</b>	<b>4,611,081</b>	<b>1,203,661</b>
	<b>Increase/Decrease</b>	1,581,665	1,705,186	-3,407,421	-1,503,548

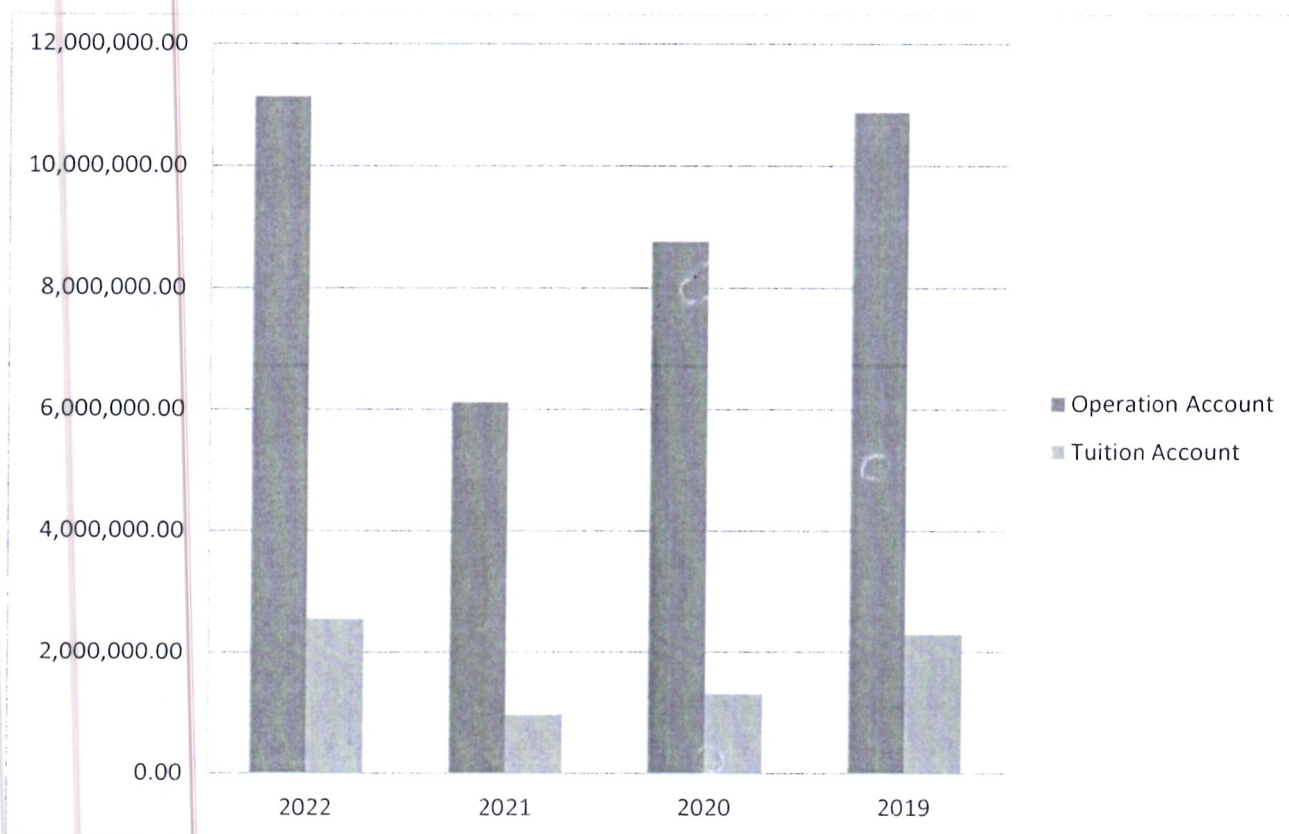


The surplus for the year 2021-2022 decreased from Kshs 5,300,249.75 to Kshs1, 442,880.80 due to prices in fluctuation/increase for most commodities consumed in school hence increased expenditure hence decrease in surplus.

**Masosa Mixed Secondary School**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Summary Report of Performance of the School (continued)**  
*Capitation Grants from the Ministry of Education for the Last Three Years*

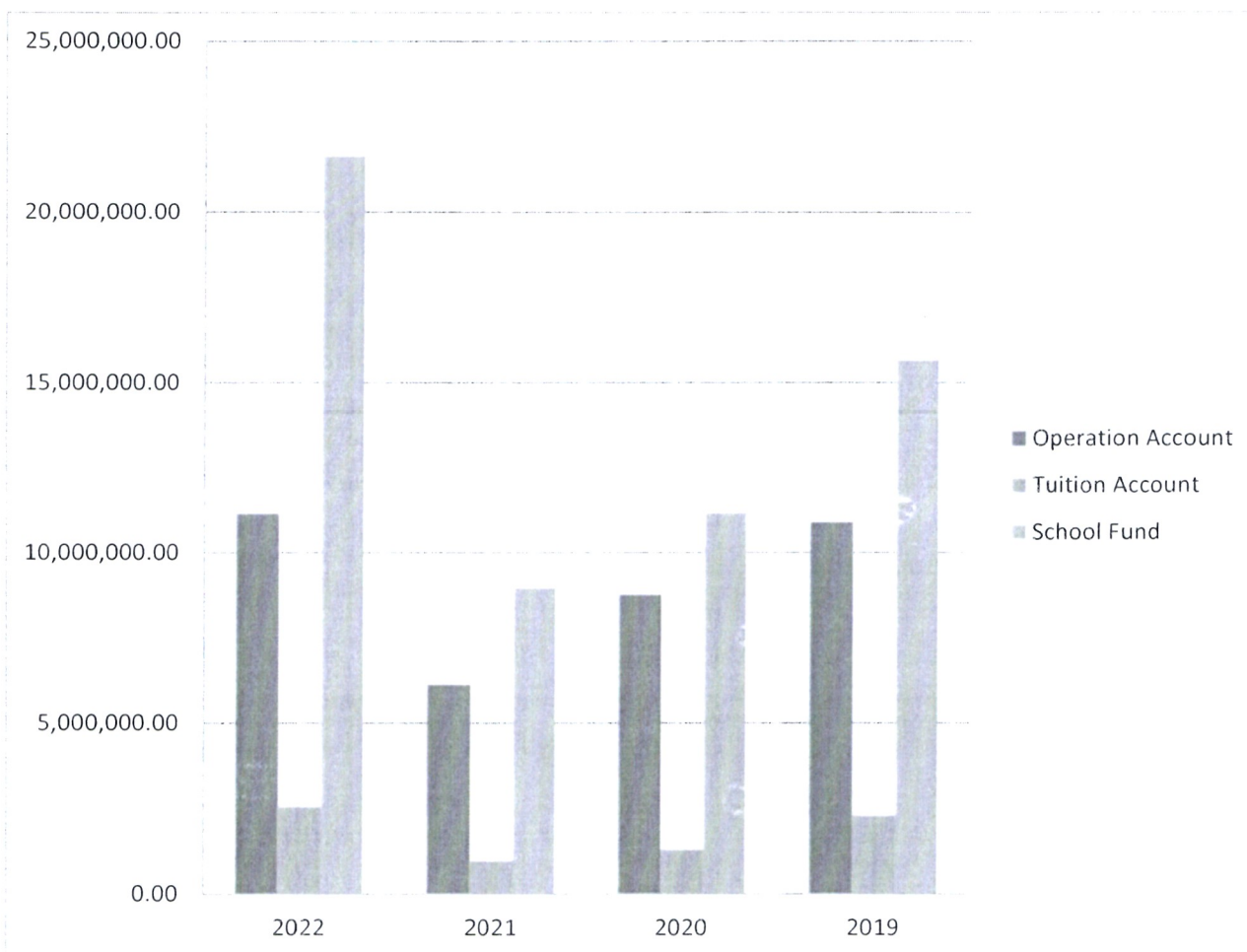
S.No	Accounts	2022	2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	Operation Account	11,139,001	6,120,973	8,760,450	10,881,781
2	Tuition Account	2,560,310	976,461	1,308,701	2,302,148
	<b>Totals</b>	13,699,311	7,097,434	10,069,151	13,183,929
	Increase/decrease	6,601,877	-2,971,717	-3,114,778	2,076,056
	Number of students	750	750	750	705
	Ratio capitation per student	1:18,265	1:9,363	1:13,426	1:18,701



The total capitation for the financial year 2021-2022 increased from Kshs 7,097,433.75 to Kshs 13,699,311.10 because the previous year covered six months and current year covered 12 months and the government increased disbursement capitation per student.

**Summary Report of Performance of the School (continued)  
Three Year Overview of Growth of Income(S) Earned by the School.**

<i>n</i>	<i>Accounts</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		Kshs	Kshs	Kshs	Kshs
1	Operation Account	11,139,001	6,120,973	8,760,450	10,881,781
2	Tuition Account	2,560,310	976,461	1,308,701	2,302,148
3	School Fund	21,662,827	8,956,355	11,163,625	15,661,630
	Totals	35,362,138	16,053,789	21,232,776	28,845,559
	Increase/decrease	19,308,349	-5,178,987	-7,612,783	2,419,696

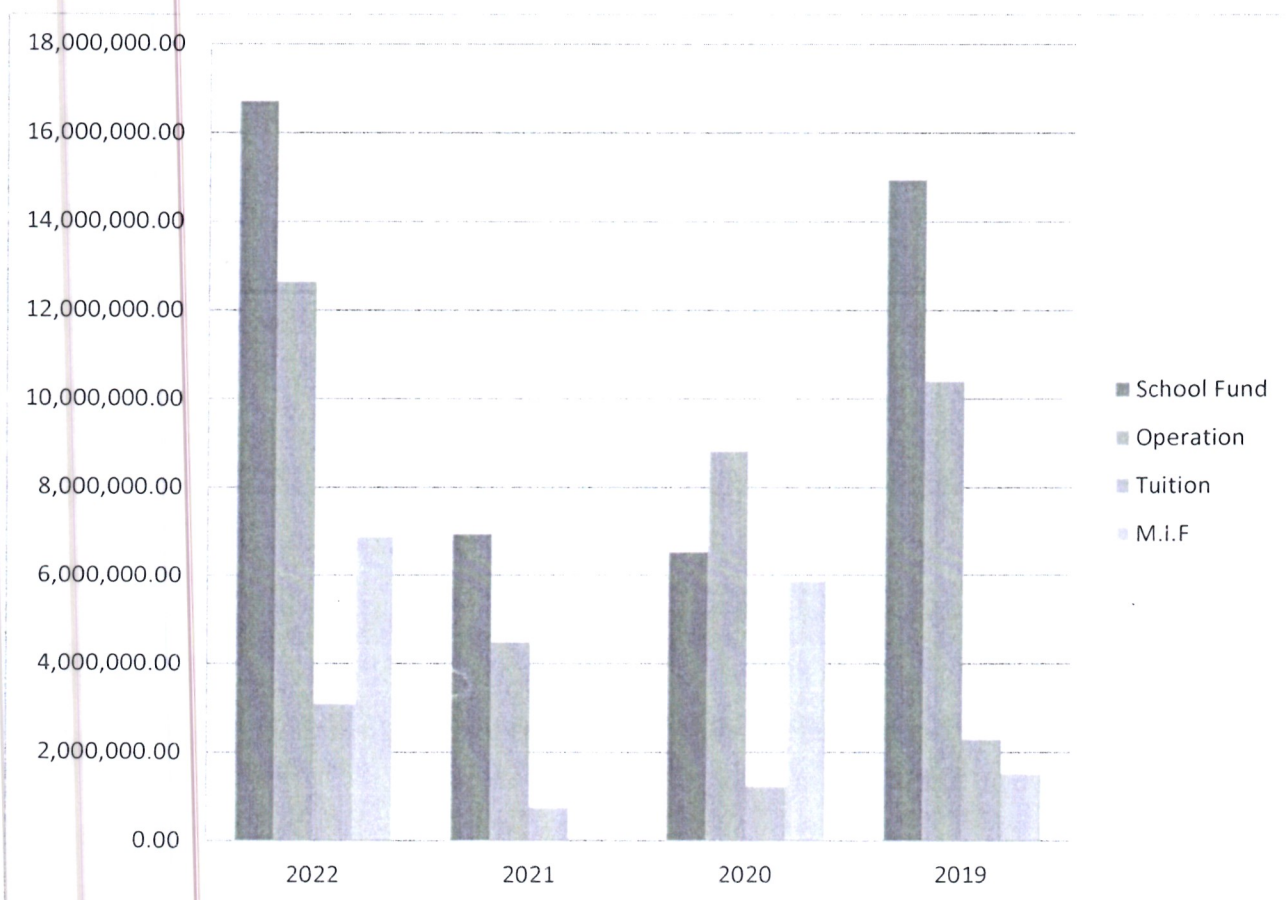


*In the financial year 2021/2022 there was an increase in income from Kshs 16,053,788.75 to Kshs 35,362,138.10 because the previous year covered six months while the current year covered twelve months.*

Summary Report of Performance of the School (continued)

*Overview of Growth in Expenditure of the School*

S.no.	Accounts	2022	2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	School Fund	16,716,041	6,944,681	6,532,848	14,941,246
2	Operation	12,651,269	4,488,544	8,828,083	10,406,912
3	Tuition	3,099,581	760,134	1,222,994	2,292,740
4	M.I.F	6,887,866	60,000	5,874,805	1,519,961
	<b>Totals</b>	39,354,757	12,253,359	22,458,730	29,160,859
	Increase/Decrease	27,101,398	-10,205,371	-6,702,129	5,442,205

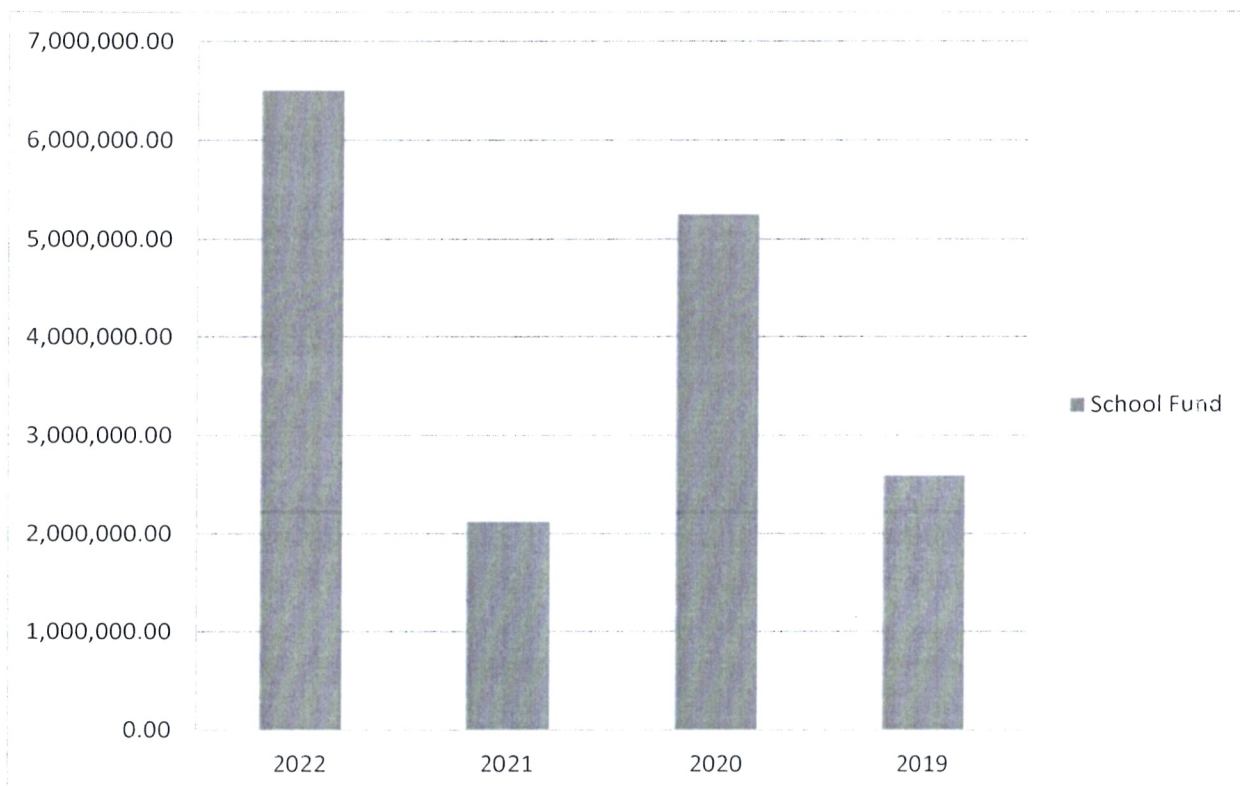


*In the financial year 2021-2022 there was an increase in expenditure from Kshs 12, 253,359 – Kshs 39,354,757.30 due to price fluctuations and also the previous year covered six months while the current year covered 12 months*

**Summary Report of Performance of the School (continued)**

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

<i>S.no</i>	<i>Account</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		Kshs	Kshs	Kshs	Kshs
	School Fund	6,507,400	2,125,930	5,254,070	2,597,360
<b>Totals</b>		6,507,400	2,145,930	5,254,070	2,597,360
Increase/Decrease		4,361,470	-3,10,140	2,656,710	627,330

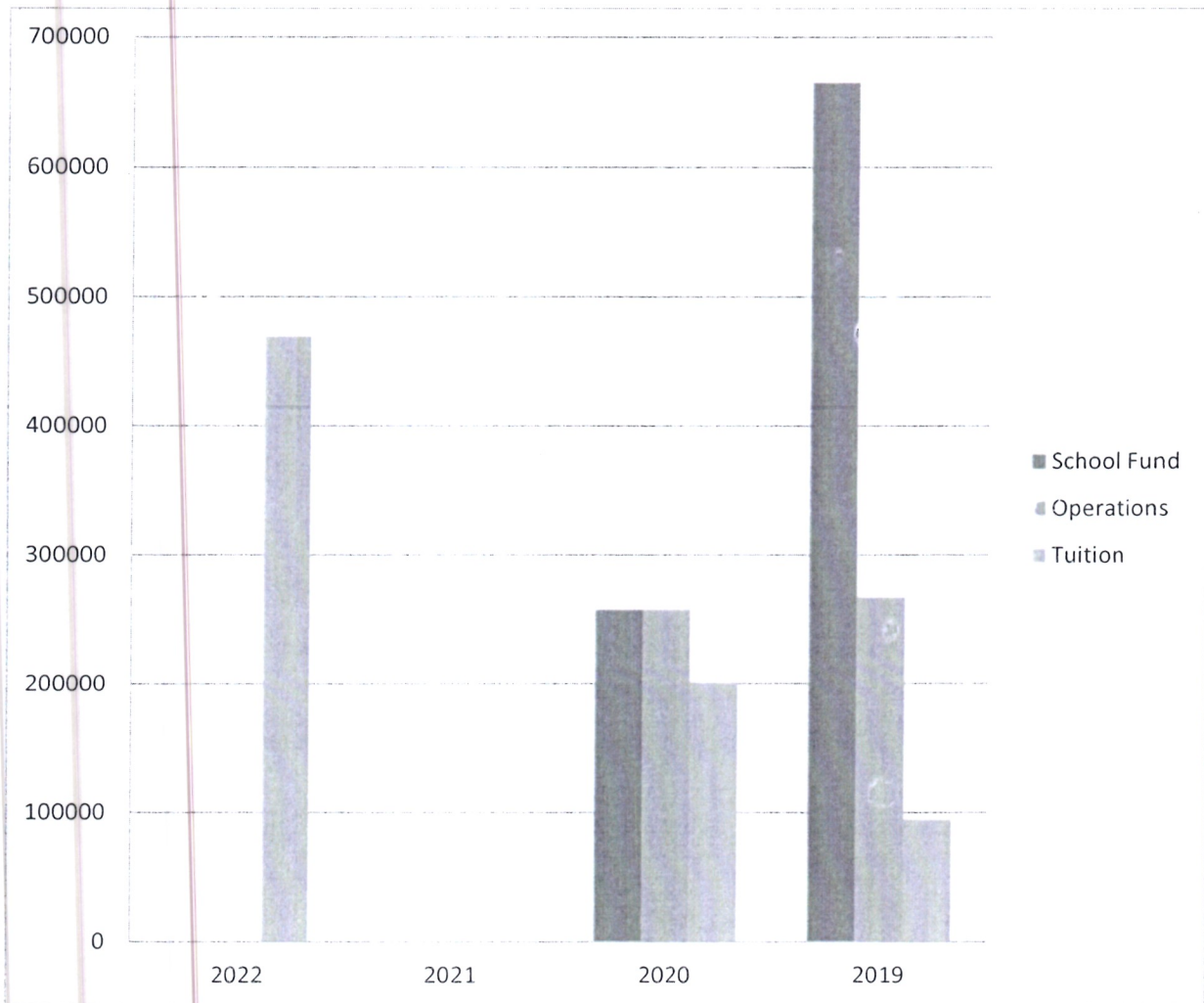


*Total debtors in the year 2019 of Kshs 2,597,360.00 increased to Kshs 5,254,930.00 in the year 2020 due to Covid 19 and most students had huge school fees arrears, and a decrease to Kshs in the year 2021 to 2,145,930.00 since the period covers only 6 months while debtors increased to Kshs 6,507,400.00 due effects of Covid 19 and changes school term dates.*

Summary Report of Performance of the School (continued)

Movement of creditors of the school over the last three years

<i>S.no</i>	<i>Account</i>	2022	2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	School Fund	-	-	257,410	665,150
2	Operations	-	-	258,010	267,120
3	Tuition	469,455	-	201,000	94,800
4	<b>Totals</b>	469,455	-	716,420	1,027,070
5	<b>Increase/decrease</b>	469,455	-	-716,420	-310,650

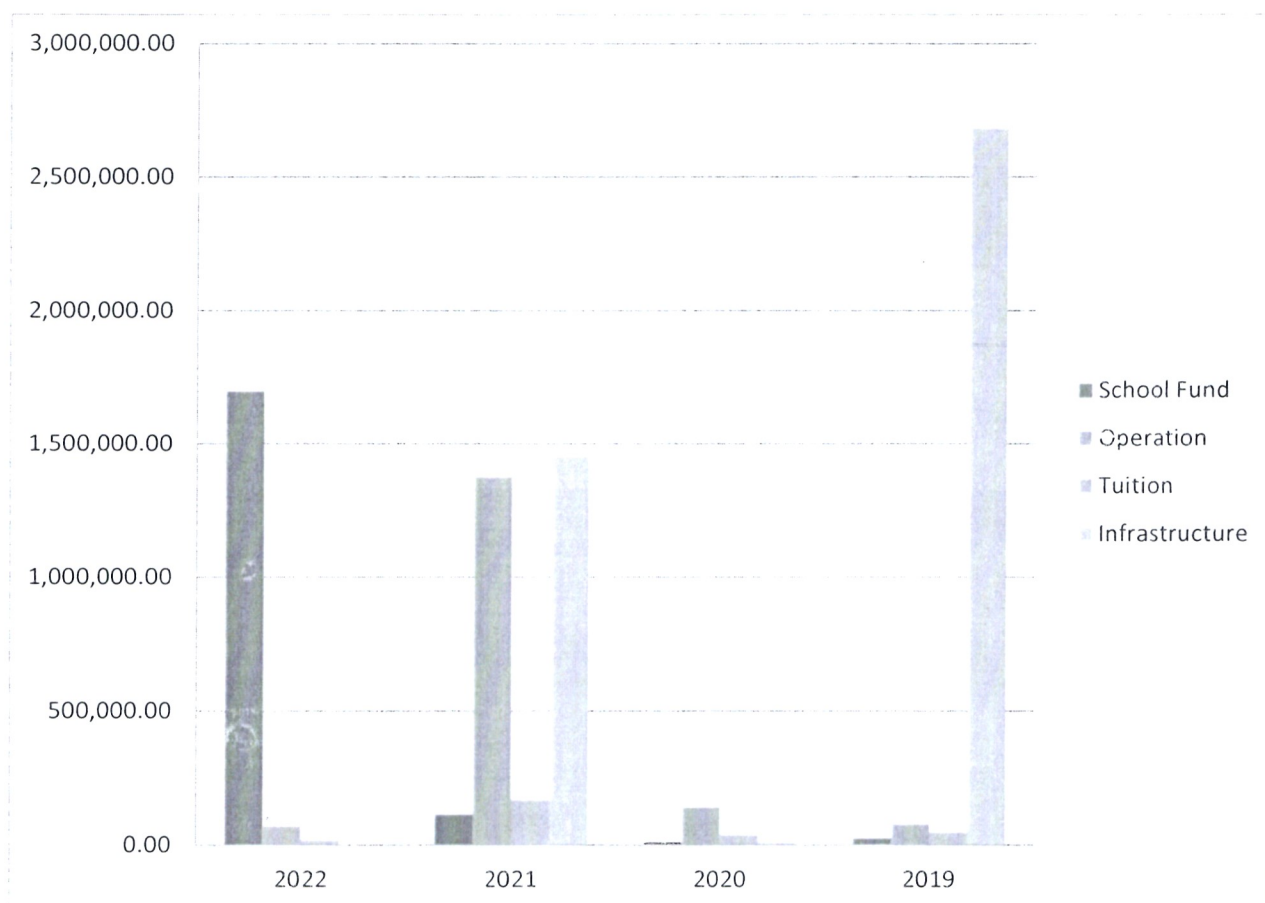


The creditors for the year 2019 increased to Kshs 1,027,070.00 in school fund account which was attributed to the increase of total debtors, most students did not clear their school fees balances.

**Summary Report of Performance of the School (continued)**

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

<i>S.no</i>	<i>Accounts</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		Kshs	Kshs	Kshs	Kshs
1	<i>School Fund</i>	1,697,051	113,156	11,267	24,657
2	<i>Operation</i>	70,953	1,376,205	141,023	77,944
3	<i>Tuition</i>	19,181	168,996	39,669	47,762
4	<i>Infrastructure</i>	1,356	1,454,230	14,734	2,686,039
	<b>TOTALS</b>	1,788,541	3,112,588	206,693	2,836,402
	<b>Increase/decrease</b>	-1,324,047	2,905,895	-2,629,709	2,789,098



The Cash and Bank Balances increased in the years 2019 and 2021 was attributed by non-usage of the M.I.F funds which resulted from late receiving of approval letter for the commencement of construction while in the year 2022 cash and bank balances increased due to changes in term dates and the financial year to 30 June.

**Summary Report of Performance of the School (continued)**

**b) Teacher Student ratio:**

Between the months of 1 July 2021 to 30 June 2022 the following was the status of teaching staff; There are 21 Teachers posted by Teacher Service Commission and 10 Teachers recruited by BOM. Teacher student ratio is at 1:38, and we have a shortage of 6 teachers due to subject specialization in form 3 and form 4.

**c) Mean score in the year 2019, 2020 and 2021 KCSE**

<i>Year</i>	<i>Enrolment</i>	<i>Mean</i>	<i>Transition</i>	<i>%transition</i>	<i>School target</i>	<i>Comments</i>
2021	201	4.18	201	100%	7.15	Negative deviation of 0.94 16 qualified to university and others colleges.
2020	167	5.12	167	100%	7.00	Positive deviation of 1.38, 36 qualified to university and other to colleges
2019	163	3.74	163	97.54%	6.75	Positive deviation of 0.07 in KCSE, with 16 qualifying to the university

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

<i>KCSE Year</i>	<i>Candidates sitting for KCSE</i>
2021	201
2020	167
2019	163

**e) Capacity of the school:**

<b>Enrolment</b>	<b>Classes</b>	<b>Dormitory</b>	<b>Dining Hall</b>	<b>Laboratories</b>	<b>Toilets</b>	<b>Library</b>
750	16	3	0	2	32	1



Summary Report of Performance of the School (continued)

f) Development projects carried out by the school:

Development projects carried out in the year and on-going projects including a disclosure of project fund sources in a tabular format

S.no	Project	Year	Status	Amount	Fund Source
1	Construction of 8 classrooms(story building)	2019-2020	Complete	7,392,926.00	Maintenance Improvement Fund Government Grant
2	Construction of storey boys dormitory(phase I)	2021-2022	Work in progress	6,887,866.00	Maintenance Improvement Fund Government Grant Repair Improvement and Maintenance – Parents
3	Construction of storey boys dormitory(phase II)	2022-2023	Work in progress		Maintenance Improvement Fund Government Grant Repair Improvement and Maintenance – Parents

Sign 

School Principal



**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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Masosa 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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

**Name: Mr. Gwaro Mosiria**

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

**Date:** 10/7/2023

**Signature** 

**Name: Mr. James Mogusu**

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

**Date:** 10/7/2023


**Signature** 



**Name: Mr. Jackline Momanyi**

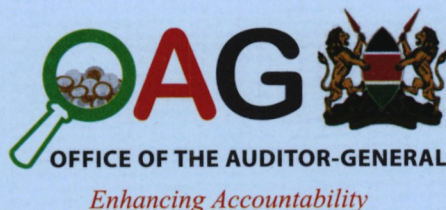
**Designation:** Bursar/ Finance Officer

**Date:** 10/7/2023

**Signature** 

# 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 MASOSA MIXED SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NYAMIRA 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 Masosa Mixed Secondary School set out on pages 1 to 15, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budget 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 the Masosa Mixed Secondary School as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **Unsupported Expenditure**

The statement of receipts and payments reflects total payments of Kshs.35,057,923 which includes an expenditure of Kshs.4,079,061 in respect of procurement of various goods and services. However, the amount was not supported by a list of registered suppliers, the annual procurement plan, appointment letters for members of the tender opening committee, evaluation committee and inspection and acceptance committee, tender opening minutes, professional opinion and request for quotations forms.

In the circumstances, the accuracy and completeness of expenditure amounting to Kshs.4,079,061 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Masosa 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 which, 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**

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

The statement of budgeted versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.48,903,000 and Kshs.33,733,876 respectively, resulting to an under-collection of Kshs.15,169,124 or 31% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis

of Kshs.48,903,000 and Kshs.35,057,923 respectively, resulting to an under-expenditure of Kshs.13,845,077 or 28% of the approved budget.

The under collection and under performance affected the planned activities and may have impacted negatively on service delivery to the public.

## 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 matter 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**

#### **Unapproved Budget**

The statement of statement of budget versus actual amounts reflects budgeted income of Kshs.48,903,000 and a similar amount for expenses. However, no evidence was provided to the effect that the School's budget was approved by the Board of Management. This was contrary to Section 16(1)(2) of the Basic Education Act, 2013 which states that Board of Management of a public institution of basic education shall prepare annual estimates of revenue and expenditure for the institution under its charge and incur expenditure in accordance with estimates approved.

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 overall governance were not effective.

## **Basis for Conclusion**

### **1. Weaknesses in Management of Fixed Assets**

As reported in the previous year, review of records revealed that the Management did not maintain a fixed assets' register indicating dates of acquisition, unique identification numbers, purchase prices and depreciation amounts of the assets, among other details. In addition, the School did not have in place, policies and procedures relating to asset acquisition and management.

In the circumstances, the existence of an effective mechanism to safeguard the School's assets against abuse, misuse, wastage or pilferage could not be confirmed.

### **2. Failure to Provide Board of Management Records**

As reported in the previous year, review of members of Board of Management personal files revealed that there were no records to confirm that fourteen (14) members of Board of Management had the required minimum and relevant qualifications. Consequently, compliance with 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, could not be confirmed. In addition, the Board's annual work plan and schedule of activities was not provided for audit review.

In the circumstances, the effectiveness of School's overall governance could not be confirmed.

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

As reported in the previous year, Annex 2 of the financial statements reflects a balance of Kshs.97,296,699 in respect of fixed assets which includes land valued at Kshs.7,500,000. However, the basis of valuation was not explained or supported. In addition, land ownership documents such as a title deeds were not provided for audit.

In the circumstances, the completeness of the summary of the fixed assets register could not be confirmed.

### **4. Failure to Develop Policy Documents**

As reported in the previous year, review of the School's policy documents revealed that Management did not develop a School Improvement Plan that identifies key areas of focus, activities and expected outcomes. Consequently, the absence of a school improvement plan raises concerns about the school's strategic planning and commitment to continuous improvement. Further, Management did not develop disaster management and recovery policies as well as business and IT continuity plans plan to ensure smooth running of its operations. In addition, the school did not develop financial policy and procedure manuals to guide in the financial operations of the School.

In the circumstances, the effectiveness of internal controls, overall governance and risk management of the School could not be confirmed.

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

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

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts which 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of 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 which 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 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 control that are identified during the audit.

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

12 October, 2023

# Masosa Mixed Secondary School

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

## V. Statement of Receipts and Payments Period to 30<sup>th</sup> June 2022

Description Of Vote Head	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	2,560,310	976,461
Capitation grants for operations	2	11,139,001	6,120,793
School Fund Income- Parents' Contributions	3	6,394,639	2,685,020
School Fund Income- Other receipts	4	13,639,926	5,625,405
<b>TOTAL RECEIPTS</b>		<b>33,733,876</b>	<b>15,407,679</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,630,126	760,134
Payments for operations	6	19,539,135	4,548,544
Boarding and school fund payments	7	12,888,662	7,193,106
<b>TOTAL PAYMENTS</b>		<b>35,057,923</b>	<b>12,501,784</b>
<b>SURPLUS/DEFICIT</b>		<b>-1,324,047</b>	<b>2,905,895</b>

The school financial statements were approved on 10/7 2023 and signed by:

Name: Gwaro Mosiria

Chair BOM

Date: 10/7/2023

*Gwaro*

Name: Mr. James Mogusu  
School Principal/ Secretary  
to BOM

Date: 10/7/2023

*James Mogusu*

Name: Mrs. Jackline Momanyi

Bursar/ Finance Officer

Date: 10/7/2023

*Jackline Momanyi*



# Masosa Mixed Secondary School

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

## VI. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	1,787,762	3,111,429
Cash Balances	9	779	1,159
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b>1,788,541</b>	<b>3,112,588</b>
Account's receivables	11	469,455	2,145,930
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,257,996</b>	<b>5,258,518</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	469,455	2,145,930
<b>NET FINANCIAL ASSETS</b>			<b>3,112,588</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd.	13	3,112,588	206,693
Surplus/Deficit for the year		-1,324,047	2,905,895
<b>NET FINANCIAL POSSITION</b>		<b>1,788,541</b>	<b>3,112,588</b>

The school's financial statements were approved on 10/7 2023 and signed by:

Name: Gwaro Mosiria

Chair BOM

Date: 10/7/2023

*Gwaro*

Name: Mr. James Mogusu  
School Principal/ Secretary  
to BOM

Date: 10/7/2023

*James Mogusu*

Name: Mrs. Jackline Momanyi

Bursar/ Finance Officer

Date: 10/7/2023

*Jackline*



# Masosa Mixed Secondary School

## Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

### VII. Statement of Cash Flows for the Period Ended 30<sup>th</sup> June 2022

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	2,560,310	976,461
Capitation grants for operations	2	11,139,001	6,120,793
School fund income- Parents contributions/ fees	3	6,394,639	2,685,020
School fund income- other receipts	4	13,639,926	5,625,405
<b>Total receipts</b>		<b>33,733,876</b>	<b>15,407,679</b>
<b>Payments</b>			
Payments for Tuition	5	2,630,126	760,134
Payments for operations	6	19,539,135	4,548,544
Boarding and school fund payments	7	12,888,662	7,193,106
		<b>35,057,923</b>	<b>12,501,784</b>
<b>Net cash flow from operating activities</b>		<b>(1,324,047)</b>	<b>2,905,895</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>3,112,588</b>	<b>206,693</b>
<b>Cash and cash equivalent at END of the year</b>		<b>1,788,541</b>	<b>3,112,588</b>

(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 cash flow as recommended by PSASB).

Masosa Mixed Secondary School  
Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

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

Receipt/expenses Item	Original Budget	Adjustm	Final Budget	Actual on	Budget	% of
	a Kshs	ents b Kshs	c=a+b	Comparable Basis d	Utilization Difference e=c-d Kshs	Utilization F=d/c % Kshs
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Exercise books	1,224,000	-	1,224,000	927,215	296,785	76%
Laboratory equipment	517,000	-	517,000	587,395	-70,395	114%
Internal exams	460,000	-	460,000	362,274	97,726	79%
Teaching / l. materials	376,000	-	376,000	383,286	(7,286,4.00)	102%
Chalks	220,000	-	220,000	165,100	54,900	75%
Reference materials	181,000	-	181,000	135,040	45,960	75%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	3,750,000	-	3,750,000	3,069,680	680,320	82%
Repairs and maintenance	3,750,000	-	3,750,000	4,270,500	-520,500	114%
Local transport / travelling	750,000	-	750,000	629,550	120,450	84%
Electricity and water	975,000	-	975,000	920,040	54,960	94%
Administration costs	1,950,000	-	1,950,000	1,612,390	337,611	83%
Activity	750,000	-	750,000	478,041	271,959	64%
Medical	-	-	-	158,800	-	-
<i>(3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments	1,000,000	-	1,000,000	1,447,430	-447,430	145%
Repairs and maintenance	800,000	-	800,000	935,980	-66,450	117%
Local transport / travelling	1,200,000	-	1,200,000	866,090	208,480	72%
Electricity and water	14,500,000	-	14,500,000	1,095,120	273,400	76%
Administration costs	1,650,000	-	1,650,000	1,233,750	250,170	75%
Activity	600,000	-	600,000	816,269	-216,269	136%
Fee on Boarding Equipment	10,500,000	-	10,500,000	8,203,926	1,024,595	78%
M.I.F	3,750,000	-	3,750,000	5,436,000	-1,686,000	144%
<b>TOTAL INCOME</b>	<b>48,903,000</b>	<b>-</b>	<b>48,903,000</b>	<b>33,733,876</b>	<b>-4,945,138</b>	<b>113%</b>

**Masosa Mixed Secondary School  
Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Receipt/expenses Item	Original Budget a Kshs	Adjustm ents b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
<b>(1) EXPENDITURE FOR TUITION</b>						
Exercise books	1,224,000	-	1,224,000	1,308,700	-84,700	107%
Laboratory equipment	517,000	-	517,000	528,010	-11,010	102%
Internal exams	460,000	-	460,000	379,860	80,140,00	71%
Teaching / l. materials	376,000	-	376,000	268,000	108,000	71%
Chalks	220,000	-	220,000	117,200	102,800	53%
Teachers guides	181,000	-	181,000	24,000	157,000	13%
Bank Charges	-	-	-	4,356	-	-
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	3,750,000	-	3,750,000	4,685,534	-935,534	125%
Repairs, maintenance & imp.	3,750,000	-	3,750,000	4,888,000	-1,138,000	130%
Local transport / travelling	750,000	-	750,000	307,800	442,200	41%
Electricity, water and cons.	975,000	-	975,000	734,250	240,750	75%
Administration costs	1,950,000	-	1,950,000	1,510,154	439,846	77%
Activity Expenses	750,000	-	750,000	525,531	224,469	70%
M.I.f	3,750,000	-	3,750,000	6,887,866	-3,137,866	184%
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	1,000,000	-	1,000,000	725,860	274,140	73%
Repairs, maintenance	800,000	-	800,000	549,000	251,000	69%
Local transport / travelling	1,200,000	-	1,200,000	1,544,245	-344,245	129%
Electricity, water and cons.	14,500,000	-	14,500,000	1,388,845	61,155	96%
Administration costs	1,650,000	-	1,650,000	1,498,372	151,628	91%
Activity	600,000	-	600,000	467,350	282,650	62%
Boarding Equipment and S.	10,500,000	-	10,500,000	6,714,989	-42,369	100%
<b>TOTALS</b>	48,903,000	-	48,903,000	35,057,923	3,502,257	109%

i. The Underutilisation is a result of not spending or transfer to another Vote

**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 30<sup>th</sup> June 2022.

**11. First-time adoption of IFRS**

These financial statements, for the year ended 30 June 2022, are prepared in accordance with IFRS. Accordingly, the School has prepared financial statements that comply with IFRS applicable as at 30 June 2022, together with the comparative period data for the year ended 30 June 2021, in preparing the financial statements, the School's opening statement of financial assets and Financial Liabilities was prepared as at 1 January 2021 for a six-month period, the School's date of transition to IFRS.



X. Notes To The Financial Statements

1 Capitation Grant for Tuition

	2021-2022	2020-2021
	Kshs	Kshs
Exercise books	927,215	420,135
Laboratory equipment	587,395	154,175
Teaching / learning materials	383,286	158,055
Chalks	165,100	75,000
Exams and assessment	362,274	133,000
reference materials	135,040	36,096
<b>Total</b>	<b>2,560,310</b>	<b>976,461</b>

2 Capitation Grant for Operations

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	3,069,680	1,457,616
Repairs and maintenance	4,270,500	2,911,500
Local transport / travelling	629,550	434,274
Electricity and water	920,040	564,620
Medical	158,800	-
Administration costs	1,612,390	637,783
Activity	478,041	115,000
<b>Total</b>	<b>11,139,001</b>	<b>6,120,793</b>

3 Parents Contribution/Fees - School Fund Account

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,447,430	548,500
Repairs and maintenance	935,980	466,450
Local transport / travelling	866,090	391,520
Electricity and water	1,095,120	426,600
Administration costs	1,233,750	649,830
Activity	816,269	202,120
<b>Total</b>	<b>6,394,639</b>	<b>2,685,020</b>

Notes to The Financial Statements (Continued)

4 Other Receipts – School Fund Account

	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	8,203,926	4,125,405
M.I.F	5,436,000	1,500,000
<b>Total</b>	<b>13,639,926</b>	<b>5,625,405</b>

5 Payments for Tuition

	2021-2022	2020-2021
	Kshs	Kshs
Reference materials	24,000	-
Exercise books	1,308,700	220,000
Laboratory equipment	528,010	160,320
Internal exams	379,860	141,500
Teaching / learning materials	268,000	237,450
Chalks	117,200	-
Bank Charges	4,356	864
<b>Total</b>	<b>2,630,126</b>	<b>760,134</b>

6 Payments for Operations

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	4,685,534	1,707,650
Administration Cost	1,510,154	638,494
Repairs and maintenance & improvements	4,888,000	1,500,000
Local transport / travelling	307,800	176,000
Electricity and water	734,250	3,314,000
Activity Expenses	525,531	135,000
MIF	6,887,866	60,000
<b>TOTAL</b>	<b>19,539,135</b>	<b>4,548,544</b>

Notes to the Financial Statements (Continued)

7 Boarding and School Fund Payments

	2021-2022	2020-2021
	Kshs	Kshs
Activity	467,350	10,500
Personal emoluments	725,860	518,300
Repairs and maintenance & Improvements	549,000	289,700
Local transport / travelling	1,544,245	557,845
Electricity and water	1,388,845	910,225
Administration costs	1,498,372	1,124,077
Lunch Programme	6,714,989	3,782,459
<b>TOTAL</b>	<b>12,888,662</b>	<b>7,193,106</b>

8 Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2021-2021
		Kshs	Kshs
Tuition Account	1103243543	19,181	168,996
Operations Account	1107011604	70,775	1,375,677
School Fund Account/Boarding	1103241974	698,851	29,573
School fund account boarding	0520297040043	997,599	82,953
Infrastructural Account	1266400265	1,356	1,454,230
Total		<b>1,787,762</b>	<b>3,111,429</b>

9 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Operation Account	178	528
School Fund account	601	631
<b>Total</b>	<b>779</b>	<b>1,159</b>

Notes to the Financial Statements (Continued)

10. Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	469,455	2,145,930
<b>Total</b>	<b>469,455</b>	<b>2,145,930</b>

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	469,455	2,145,930
<b>Total</b>	<b>469,455</b>	<b>2,145,930</b>

11. Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	469,455	2,145,930
<b>Total</b>	<b>469,455</b>	<b>2,145,930</b>

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	469,455	-
Trade creditors for the previous year	-	2,145,930
<b>Total</b>	<b>469,455</b>	<b>2,145,930</b>

12. Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Balances b/f	3,112,588	206,693
<b>Total</b>	<b>3,112,588</b>	<b>206,693</b>

Notes to the Financial Statements (Continued)

**Other important disclosure notes**

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

**13. Stock/ Inventory**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Stock/ inventory at beginning of the year	1,820,921	1,200,000
Stock/ inventory purchased during the year	14,685,921	8,585,921
Stock/ inventory issued during the year	-14,602,845	-7,965,000
<b>Balance at end of the year</b>	<b>1,903,997</b>	<b>1,820,921</b>

### 10 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.

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	None	N/A	N/A	N/A

**Masosa Mixed Secondary School  
Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

<b>Supplier Of Goods Or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2022</b>	<b>Outstanding Balance 20XX-1</b>	<b>Comments</b>
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d=a-c</b>		
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>Supply of Goods TUITION ACCOUNT</b>						
1. Keboco Agencies-laboratory	352,455	15/3/2022	200,000/	152,455		
2. Rebord G. Supplies-exercise books	230,000	10/5/2022	-	230,000		
3. Jackmot enterprises-white board markers, ink and dusters	177,200	21/5/2022	90,200	87,000		
<b>Sub-Total</b>				<b>469,455</b>		
<b>Grand Total</b>				<b>469,455</b>		

**Masosa Mixed Secondary School**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
Land			7,500,000			7,500,000
Buildings and structures			40,020,689			40,020,689
Motor vehicles			9,000,000			9,000,000
Office equipment, furniture and fittings			6,100,450			6,100,450
ICT Equipment, and Other ICT Assets			4,521,500			4,521,500
Tools and apparatus			3,460,000			3,460,000
Textbooks			24,605,560			24,605,560
Other Machinery and Equipment			1,500,000			1,500,000
Intangible assets- soft ware			588,500			588,500
<b>Total</b>			<b>97,296,699</b>			<b>97,296,699</b>