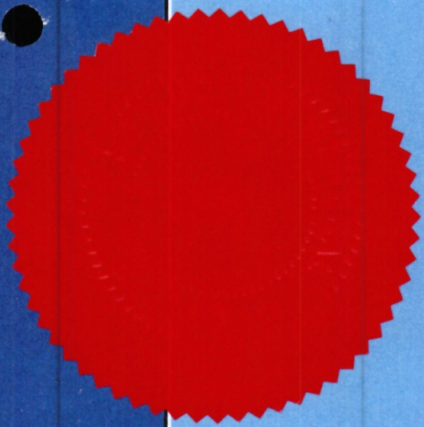


REPUBLIC OF KENYA



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PARLIAMENT  
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**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 02 DEC 2024

DAY:  
MONDAY

TABLED  
BY:

HON. NAOMI WADO, MP  
DEPUTY MAJORITY WHIP

**OF**

CLERK-AT  
THE TABLE:

KESTER NGINYO

**THE AUDITOR-GENERAL**

**ON**

**ISIOLO BARRACKS SECONDARY SCHOOL  
FOR THE SIX (6) MONTH'S  
PERIOD ENDED  
30 JUNE, 2021**

**ISIOLO COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
26 JUL 2024  
**RECEIVED**



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*ISIOLO BARRACKS MIXED DAY SEC SCHOOL*  
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR SIX MONTH PERIOD ENDED**  
**30<sup>th</sup> June 2021**

---

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

*ISIOLO BARRACKS MIXED DAY SEC SCHOOL*  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For six months period ending 30<sup>th</sup> June 2021**

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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 Isiolo County, Isiolo Sub-County

The school was registered in 01/2013 under registration number PU/5/2/7792/13 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 500 number of students as at 30<sup>th</sup> June 2021. It has 3 streams and 24 teachers of which 01 teachers are employed by the School Board Of Management.

**(b) School Board of Management - Board Members**

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Col.joel muriungi m'arimi	Chairman	4th september 2019
2	Fredrick gitonga bundi	Secretary - Principal	4th september 2019
3	Francis mburugu marete	Member	4th september 2019
4	Idris dokata	Member	4th september 2019
5	Abdia dabaso	Member	4th september 2019
6	Jacob bundi marete	Member	4th september 2019
7	Grace lolim	Member	4th september 2019
8	David kinyua	Member – Rep CEB	4th september 2019
9	Abdullahi ibrahim	Member Rep Teachers	4th september 2019
10	Wol silvester ekiru	3 Members - Sponsor	4th september 2019
11	Col.pontianos nyaga	Members - Sponsor	4th september 2019
12	Lydia ntinyari	Member - Community	4th september 2019
13	Nicholas asuran eyagan	MemberSpecial Needs	4th september 2019
14	Shoba mohamed liban	Member	4th september 2019
15	Hussin murungiri	Member	4th september 2019
16	Abdia mohamed	Member	4th september 2019
17	Rashid juma	Rep Students	4th september 2019

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Col. Joel muriungi m'arimi Fredrick gitonga bundi Lydia ntinyari Grace lolim Wol silvester ekiru	Chairman – sponsor Secretary/ principal Member – community Member Member – sponsor	2 out of 2
2	Audit Committee	Bundi marete Shoba mohamed liban Abdia mohamed Grace lolim David kinyua	Member Member Member Member Member – Rep CEB	1 out of
3	Finance, procurement and general purposes Committee	Col. Joel muriungi m'arimi Nicholas asuran ayegan Lydia ntinyari Dokata idris Abdia mohamed	Chairman – sponsor Member – special needs Member – community Member Member	
4	Academic Committee	Mburugu marete Bundi marete Abdullahi ibrahim Hussein murangiri Abdia dabaso	Member Member Member – teacher rep Member Member	
5	Development Committee	Col. Joel muriungi m'arimi Wol silvester ekiru Fredrick gitonga bundi Mburugu marete Lydia ntinyari	Chairman – sponsor Member – sponsor Secretary/ principal Member Member	

**PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For six months period ending 30<sup>th</sup> June 2021**

6	Discipline and welfare Committee	Mburugu marete Wol silvester Lydia ntinyari Nicholas asuran Hussein murangiri	Member Member – sponsor Member – community Member – special needs Member
7	Adhoc Committee (if any during the year)		

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Fredrick gitonga bundi	351420
2	Deputy Principal	Salat adan	430862
3	School Bursar	Mary wanjiru mwangi	Id no. 28160379

## KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

### (e) Schools contacts

Post Office Box: 563 - 60300  
Telephone: 0757 749 557  
E-mail: isiolobarracks563@gmail.com  
Website:  
Facebook:  
Twitter:

### (f) School Bankers

The following school operated 6 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB BANK  
Branch: Isiolo  
Account Number: Meals 1127189522  
Transport 1226100678
2. Name of Bank: ABSA BANK  
Branch: Isiolo  
Account Number: Operations 0421031126  
Tuition 2022258764
3. Name of Bank: CO-OPERATIVE BANK  
Branch: Isiolo  
Account Number: M&I 011394382299500
4. Name of Bank: EQUITY BANK  
Branch: Isiolo  
Account Number: CDF 0410266652355
5. MPESA Pay Bill No. 31938k attached to KCB bank account

### (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**

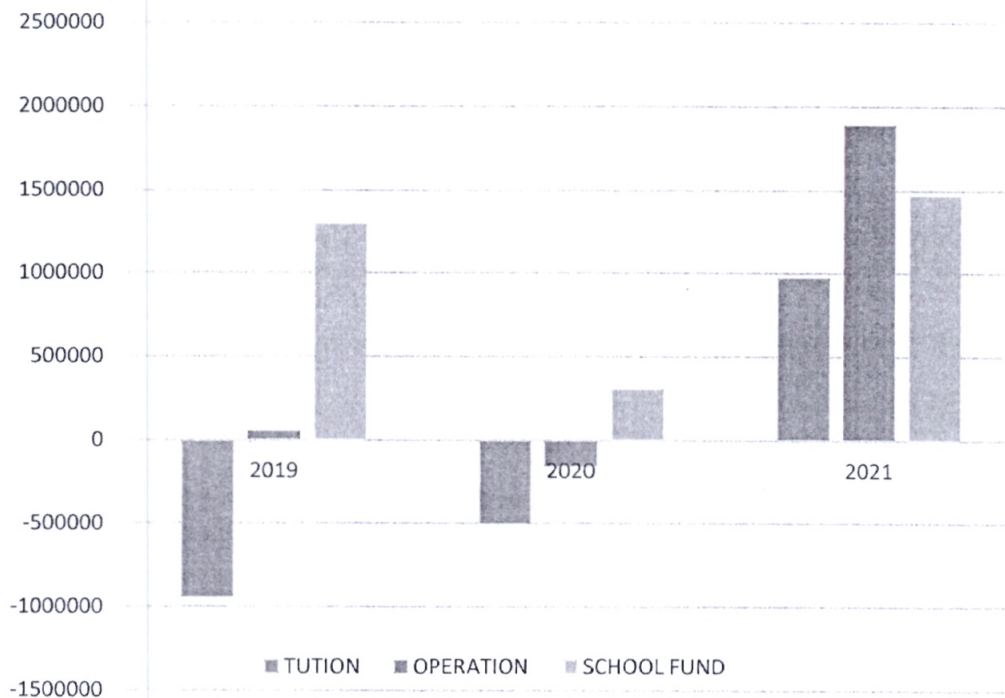
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

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

<i>YEAR</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>TUTION</i>	<i>(944,783.10)</i>	<i>(500,161.00)</i>	<i>(171,727.10)</i>
<i>OPERATION</i>	<i>53,013.75</i>	<i>(156,855.60)</i>	<i>3,657,170.35</i>
<i>SCHOOL FUND</i>	<i>1,294,579.55</i>	<i>308,380.65</i>	<i>3,049,092.00</i>

Chart Title



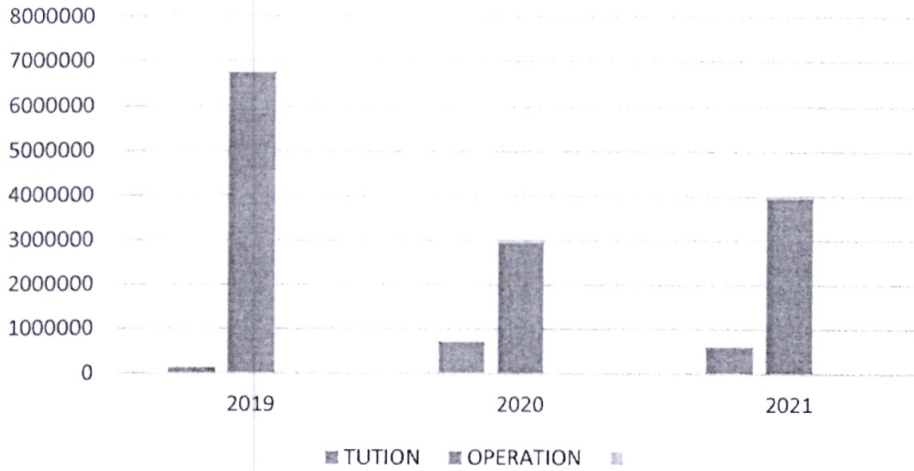


ISILOLO BARRACKS MIXED DAY SEC SCHOOL  
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- *Capitation grants from the Ministry of Education for the last three years*

<b>YEAR</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>TUTION</i>	127,486.90	718,225.00	615,001.50
<i>OPERATION</i>	6,757,310.95	2,953,525.00	3,952,764.95

Chart Title

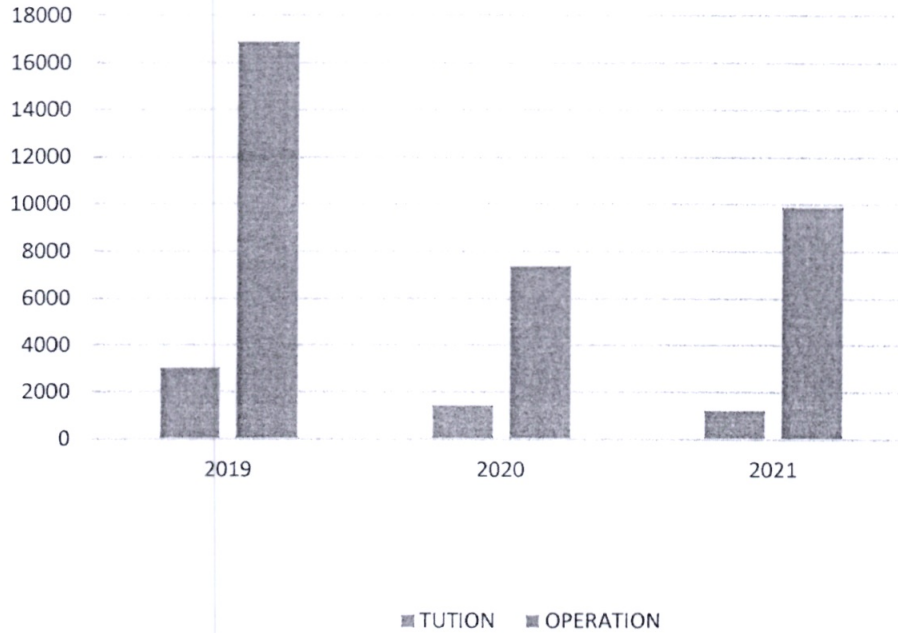


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- *Ratio of capitation grant per student over the last three years*

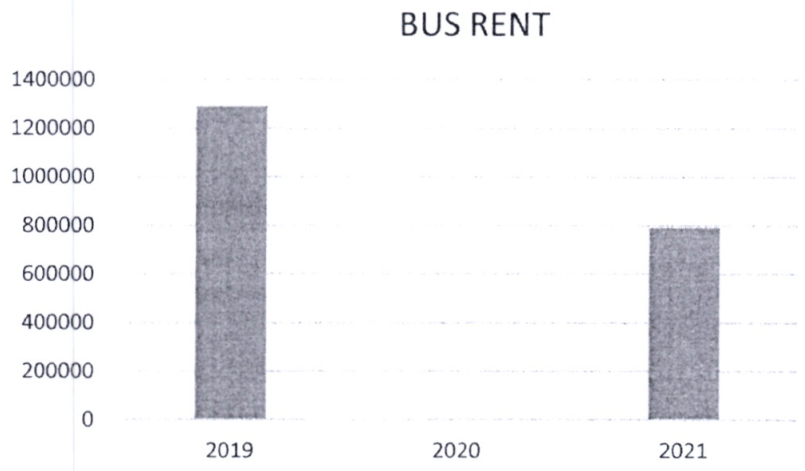
<b>YEAR</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>TUTION</i>	3,043.00	1,436.00	1,230.00
<i>OPERATION</i>	16,893.00	7,383.00	7,906.00

Chart Title



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

<i>YEAR</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>BUS RENT</i>	<i>1,292,050.00</i>	<i>0.00</i>	<i>792,650.00</i>
<i>SCHOO FUND</i>	<i>7,788,799.00</i>	<i>4,757,537.00</i>	<i>6,507,581.00</i>



**PUBLIC SECONDARY SCHOOL**

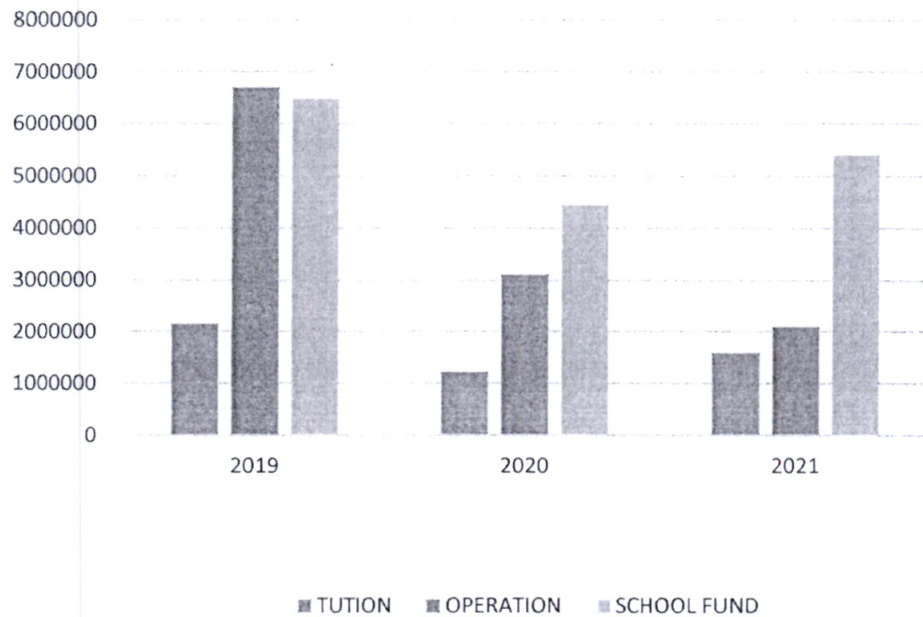
**Annual Report and Financial Statements**

**For six months period ending 30<sup>th</sup> June 2021**

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

<b>YEAR</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>TUTION</i>	2,162,288.85	1,218,416.00	786,728.60
<i>OPERATION</i>	6,704,297.20	3,110,380.60	1,295,594.60
<i>SCHOOL FUND</i>	6,494,219.45	4,449,156.35	3,458,489.00

Chart Title

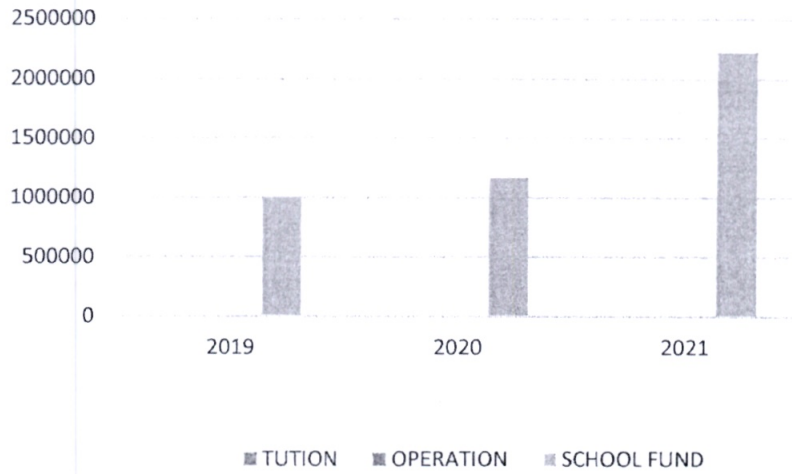


*ISILOLO BARRACKS MIXED DAY SEC SCHOOL*  
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**For six months period ending 30<sup>th</sup> June 2021**

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

<i>YEAR</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>TUTION</i>	-	-	-
<i>OPERATION</i>	-	-	-
<i>SCHOOL FUND</i>	<i>1,005,028.00</i>	<i>1,169,281.00</i>	<i>2,223,381.00</i>

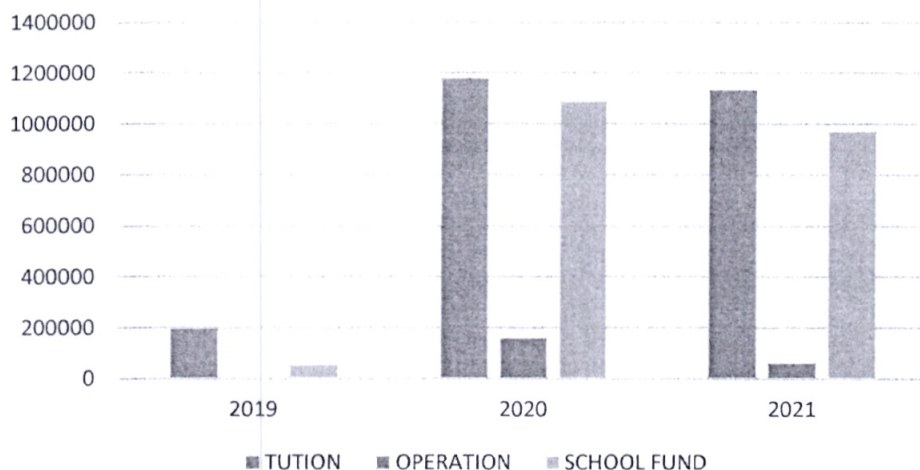
Chart Title



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

<b>YEAR</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>TUTION</i>	194,300.00	1,180,250.00	1,134,925.00
<i>OPERATION</i>	0.00	158,732.00	60,250.00
<i>SCHOOL FUND</i>	52,263.00	1,088,342.00	969,310.00

Chart Title



**Teacher Student ratio:**

<i>No: Of Teachers Recruited</i>	<i>No: Of Teachers Transferred</i>	<i>TSC Teachers Currently At School</i>	<i>BOM Teachers Currently At School</i>	<i>Subjects</i>	<i>No Of Teachers Per Subjects</i>	<i>Shortage</i>
		24	01	ENG&LIT		
				MATH/CHEM		
				KIS/HIS		
				BIO/CHEM		
				IRE/ARABIC		
				B/STUDIES/GEO		
				AGRIC/BIO		
				COMPUTER		
				PHYS		

**ISIOLO BARRACKS MIXED DAY SEC SCHOOL**  
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b) **Mean score in the 2021 KCSE:** In comparison for the last three years.

<i>Year</i>	2018	2019	2020
<i>Mean score</i>	3.15	3.18	4.06

c) **Number of Candidates in the 2021 KCSE:** In comparison for the last three years.

<i>Year</i>	2018	2019	2020
<i>No. of candidates</i>	94	112	108

d) **Capacity of the school:**


<b>NO:OF THE STUDENTS</b>	<b>DORMITORIES</b>	<b>DINING HALL</b>	<b>LABORATORIES</b>	<b>TOILETS (BOYS)</b>	<b>TOILET (GIRLS)</b>
507	NONE	NONE	1	21	22

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

1. **One classroom funded by MIF from MOE .**
2. **125 Sets of student’s lockers and chairs from MOE through MIF.**
3. **Two classrooms constructed by the sponsor KDF.**
4. **One classroom constructed by National Government CDF Isiolo North.**
5. **20 new student’s toilets from the sponsor KDF.**

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

The Board of Management of ISILOLO BARRACKS MIXED DAY SEC 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, 2021, and of the school's financial position as at that date.

Name: JOHN MWEMBE  
Designation: Chairperson, School Board of Management  
Sign: *John Mwebembe*  
Date: 24/7/2024

Name: FREDRICK GITUNGA BUNG  
Designation: School Principal & Secretary to Board of Management  
Sign: *Fredrick Gitunga Bung*  
Date: 24/7/2024

Name: MARY MWANGI  
Designation: Bursar/ Finance Officer  
Sign: *Mary Mwangi*  
Date: 24/7/2024





# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON ISIOLO BARRACKS MIXED DAY SECONDARY SCHOOL FOR THE SIX (6) MONTH'S PERIOD ENDED 30 JUNE, 2021- ISIOLO 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 period 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 Isiolo Barracks Mixed Day Secondary School – Isiolo County set out on pages 16 to 32, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement

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*Report of the Auditor-General on Isiolo Barracks Mixed Day Secondary School for the six (6) month's period ended 30 June, 2021 - Isiolo County*

of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of the financial statements revealed the following inaccuracies;

- i. Comparison of the statement of receipts and payments and statement of cash flows revealed the following variances;

<b>Component</b>	<b>Balance as per statement of receipts and payments (Kshs)</b>	<b>Balance as per the statement of cash flows (Kshs)</b>	<b>Variance (Kshs)</b>
Capitation Grants for Tuition	615,002	1,133,502	518,500
School Fund Income- Parents Contributions/Fees	5,714,931	3,828,245	1,886,686
School Fund Income - Other Receipts	792,650	816,650	24,000
Payments for Tuition	786,729	973,306	186,577
Payments for Operations	1,295,595	1,945,180	649,585
Boarding and School Fund Payments	3,458,489	4,173,599	715,110

- ii. The statement of receipts and payments reflects capitation grants for operations amount of Kshs.3,952,765 as disclosed in Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School revealed an amount of Kshs.3,829,840 resulting to an unexplained variance of Kshs.122,925.

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

## **2. Unsupported Cash and Cash Equivalents Balance**

The statement of financial assets and financial liabilities reflects total cash and cash equivalents balance of Kshs.2,697,666 as disclosed in Notes 8 and 9 to the financial statements. However, the balances were not supported with bank reconciliation statements and board of survey report.

In the circumstances, the accuracy, completeness and existence of bank and cash equivalents balance of Kshs.2,697,666 could not be confirmed.

## **3. Unsupported Accounts Receivable Balance**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.7,828,044 as disclosed in Note 11 to the financial statements. The balance relates to arrears of school fees for earlier years but was not supported with detailed analysis of students in arrears. Further, the arrears have been outstanding for more than one year. Management has not explained measures it is taking towards recovery of the same.

In the circumstances, the completeness, accuracy and recoverability of accounts receivable balance of Kshs.7,828,044 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Isiolo Barracks Mixed Day Secondary School Management in accordance with ISSAI 130 on the 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.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted verses actual amount reflects an approved revenue budget of Kshs.13,162,176 for the period against actual receipts of Kshs.11,075,347 resulting to an under-funding of Kshs.2,086,829 or 16% of the budget. However, the School spent an amount of Kshs.5,540,813 against actual receipts of Kshs.11,075,348 resulting to an under-utilization of Kshs.5,534,535 or 50 % of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

## **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 period under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Payment to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.3,458,489 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.98,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.98,000 could not be confirmed.

#### **2. Failure to Transfer Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.3,952,765 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,869,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no transfer had been made to the infrastructure account as at 30 June, 2021. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

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

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

### **4. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 27 November, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

### **5. Unconfirmed Student Enrollment**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants totalling Kshs.4,567,766. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the period, NEMIS reflected four hundred and seventy-nine (479) students while records from the school management had five hundred and seven (507) students, resulting to unregistered twenty-eight (28) students. Management indicated that the students were not registered as a result of lack of birth certificates and cases of over aged students. The under-registration in NEMIS may have resulted to an underfunding of the School by an amount of Kshs.622,272. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the underfunding of the School may have affected service delivery to the students.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **Incomplete Fixed Assets Register**

During the audit, it was noted that the school maintained a fixed asset register. However, the register was incomplete as it did not provide details such as date of asset acquisition, location and unique identification as required making it difficult to keep track of the assets acquired, location of the asset and disposal.

In the circumstances, the effectiveness of internal control over management of school assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 controls, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**06 November, 2024**

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*Report of the Auditor-General on Isiolo Barracks Mixed Day Secondary School for the six (6) month's period ended 30 June, 2021 - Isiolo County*



ISILOLO BARRACKS MIXED DAY SEC SCHOOL  
**PUBLIC SECONDARY SCHOOL**  
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**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR SIX MONTH PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	JAN-JUNE 2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	615,002.00	0.00
Capitation grants for operations	2	3,952,765.00	0.00
School Fund Income- Parents' Contributions	3	5,714,931.00	0.00
School Fund Income- Other receipts	4	792,650.00	0.00
Proceeds from borrowings		-	-
<b>TOTAL RECEIPTS</b>		<b>11,075,348.00</b>	<b>0.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	786,729.00	0.00
Payments for operations	6	1,295,595.00	0.00
Boarding and school fund payments	7	3,458,489.00	0.00
<b>TOTAL PAYMENTS</b>		<b>5,540,813.00</b>	<b>0.00</b>
<b>SURPLUS/DEFICIT</b>		<b>5,534,535.00</b>	<b>0.00</b>

The school financial statements were approved on 24/7/24 2021 and signed by:

Sign: 

Name JOHN MWANGI

*For* Chair BOM

Date 24/7/2024

Sign 

Name FREDRICK  
G. BWANI  
School Principal/  
Secretary to BOM

Date 24/07/24

Sign 

Name MARY MWANGI

Bursar/  
Finance Officer

Date 24/7/2024



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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	JAN-JUNE 2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	2,635,406.00	0.00
Cash Balances	9	62,260.00	0.00
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b><u>2,697,666.00</u></b>	<b>0.00</b>
Account's receivables	11	7,828,044.00	0.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>10,525,710.00</b>	<b>0.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	2,018,540.00	0.00
<b>NET FINANCIAL ASSETS</b>		<b>8,507,170.00</b>	<b>0.00</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	2,972,635.00	0.00
Surplus/Deficit for the year		5,534,535.00	0.00
<b>NET FINANCIAL POSSITION</b>		<b>8,507,170.00</b>	<b>0.00</b>

The School's financial statements were approved on 24/7/2024 2021 and signed by:

Name: JOHN MWEMBEI  
Chairman, BoM

Sign: [Signature]

Date: 24/7/2024

Name: FREDRICK G. BUNDI  
School Principal/Secretary  
to BoM

Sign: [Signature]

Date: 24/07/24

Name: MARY MWANGI  
Bursar/Finance

Sign: [Signature]

Date: 24/7/2024



VII. STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDING 30<sup>TH</sup> JUNE 2021

		JAN-JUNE 2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,133,502.00	0.00
Capitation grants for operations	2	3,952,765.00	0.00
School fund income- Parents contributions/ fees	3	3,828,245.00	0.00
School fund income- other receipts	4	816,650.00	0.00
<b>Total receipts</b>		<b>9,731,162.00</b>	<b>0.00</b>
<b>Payments</b>			
Payments for Tuition	5	973,306.00	0.00
Payments for operations	6	1,945,180.00	0.00
Boarding and school fund payments	7	4,173,599.00	0.00
<b>Total payments</b>		<b>7,092,085.00</b>	<b>0.00</b>
<b>Net cash flow from operating activities</b>		<b>2,639,077.00</b>	<b>0.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(203,385.00)	0.00
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash flows from Investing Activities</b>		<b>(203,385.00)</b>	<b>0.00</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,435,692.00</b>	<b>0.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>261,973.00</b>	<b>0.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>2,697,665.00</b>	<b>0.00</b>

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS ENDING 30<sup>TH</sup> JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books		-	-	-	-	-
Laboratory equipment		-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	823,176.00	-	823,176.00	615,002.00	208,175.00	74%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>823,176.00</b>		<b>823,176.00</b>	<b>615,002.00</b>	<b>208,175.00</b>	<b>74%</b>
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	-	-	-	-	-	-
Repairs and maintenance	2,500,000.00	-	2,500,000.00	2,109,000.00	391,000.00	84%
Local transport / travelling	-	-	-	-	-	-
Other vote heads	3,839,000.00		3,839,000.00	1,843,764.00	1,995,235.00	48%
Electricity and water		-		-	-	-
Medical	-	-	-	-	-	-
Administration costs		-		-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
SMASSE	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>6,339,000.00</b>		<b>6,339,000.00</b>	<b>3,952,764.00</b>	<b>2,386,235.00</b>	<b>62%</b>
<i>(3) FEES CHARGED ON PARENTS</i>						
Lunch programme	6,000,000.00	-	6,000,000.00	5,071,531.00	-	86%
Repairs and maintenance	-	-	-	-	-	-
Local transport / travelling	-	-	-	1,375,950.00	-	-
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
KCSE registration	-	-	-	60,100.00	-	-
<b>SUB-TOTAL</b>	<b>6,000,000.00</b>		<b>6,000,000.00</b>	<b>6,507,581.00</b>	<b>(507,581.00)</b>	<b>109%</b>
<b><i>OTHER INCOME</i></b>						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	-	-	-
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire	-	-	-	-	-	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Income from any other investment	-	-	-	-	-	-

**PUBLIC SECONDARY SCHOOL**

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For six months period ending 30<sup>th</sup> June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>TOTAL INCOME</b>	<b>13,162,176.00</b>		<b>13,162,176.00</b>	<b>11,075,347.00</b>	<b>2,086,829.00</b>	<b>84%</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	823,176.00	-	823,176.00	786,729.00	36,447.00	95%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>823,176.00</b>		<b>823,176.00</b>	<b>786,729.00</b>	<b>36,447.00</b>	<b>95%</b>
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	-	-	-	-	-	-
Repairs, maintenance & improvements	1,250,000.00	-	1,250,000.00	98,597.00	1,151,403.00	07%
Local transport / travelling	-	-	-	-	-	-
Other voteheads	1,919,500.00	-	1,919,500.00	1,196,998.00		62%
Electricity, water and conservancy	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity Expenses	-	-	-	-	-	-

**PUBLIC SECONDARY SCHOOL**  
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For six months period ending 30<sup>th</sup> June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
<b>SUB-TOTAL</b>	<b>3,169,500.00</b>		<b>3,169,500.00</b>	<b>1,295,595.00</b>	<b>1,151,403.00</b>	<b>41%</b>
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	-	-	-	-	-	-
Repairs, maintenance and I Improvements	-	-	-	-	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity, water and conservancy	-	-	-	-	-	-
Medical Expenses	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Lunch programme	6,000,000.00	-	6,000,000.00	3,458,489.00	2,744,976.00	54%
Expenditure for Income Generating Activity	-	-	-	-	-	-
Bus hire	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>9,169,500.00</b>	-	<b>9,169,500.00</b>	<b>4,754,084.00</b>	<b>3,896,379.00</b>	<b>52%</b>

- i. The underutilisation was due to Covid-19 effects where parents were unable to raise required fees.
- ii. The under utilisation was due to shortfall in government capitation and poor payment of fees by the parents.

## **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 *ISIOLO BARRACKS SEC SCHOOL* and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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



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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**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**

The comparative figures for the previous financial year have been omitted since they have not been 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 2021.

## PUBLIC SECONDARY SCHOOL

## Annual Report and Financial Statements

For six months period ending 30<sup>th</sup> June 2021**X. NOTES TO THE FINANCIAL STATEMENTS****1 CAPITATION GRANT FOR TUITION**

	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	615,002.00	0.00
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
<b>Total</b>	<b>615,002.00</b>	<b>0.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Personnel emoluments	-	-
Other voteheads	1,693,765.00	0.00
Repairs and maintenance	2,109,000.00	0.00
Local transport / travelling	-	-
Electricity and water	100,000.00	0.00
Medical	-	-
Administration costs	50,000.00	0.00
Activity	-	-
<b>Total</b>	<b>3,952,765.00</b>	<b>0.00</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Personnel emoluments	-	-
Lunch programme	5,071,531.00	0.00
Repairs and maintenance	-	-
Local transport / travelling	583,300.00	0.00
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Exam	60,100.00	0.00
<b>Total</b>	<b>5,714,931.00</b>	<b>0.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	<b>JAN-JUNE 2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Transport	-	-
Income from farming activities	-	-
Insurance compensation	-	-
Income from Posho mill	-	-
Transport account	792,650.00	0.00
Fee for hire of ground and equipment	-	-
Income from grants and donations*	-	-
CDF	-	-
Interest income	-	-
Exams	-	-
Dividends income	-	-
<b>Total</b>	<b>792,650.00</b>	<b>0.00-</b>

**5 PAYMENTS FOR TUITION**

	<b>JAN-JUNE 2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	781,593.00	0.00
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	5,136.00	-
<b>Total</b>	<b>786,729.00</b>	<b>0.00</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Personnel emoluments	957,068.00	0.00
Service Gratuity	-	-
Administration Cost	197,966.00	0.00
Repairs and maintenance & improvements	98,897.00	0.00
Local transport / travelling	-	-
Electricity and water	41,964.00	0.00
Medical	-	-
Activity Expenses	-	-
SMASSE	-	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition of Assets	-	-
<b>TOTAL</b>	<b>1,295,595.00</b>	<b>0.00</b>

7 BOARDING AND SCHOOL FUND PAYMENTS

	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Personnel emoluments	-	-
Service Gratuity	-	-
Repairs and maintenance & Improvements	-	-
Local transport / travelling	602,334.00	0.00
Electricity and water	-	-
Medical Expenses	-	-
Exams	-	-
Administration costs	8,320.00	0.00
Lunch Programme	2,644,450.00	0.00
Bank Charges	-	-
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	203,385.00	0.00
<b>TOTAL</b>	<b>3,458,489.00</b>	<b>0.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	JAN-JUNE 2021	2019-2020
		Kshs	Kshs
Tuition Account	2022258764	173,325.00	0.00
Operations Account	0421031126	2,025,092.00	0.00
School Fund Account/Boarding	1127189522	310,434.00	-
Savings Account		-	-
Parent Association Development Account		-	-
Transport account	1226100678	93,630.00	0.00
Infrastructural Account	01139438299500	32,925.00	0.00
<b>Total</b>		<b>2,635,406.00</b>	<b>0.00</b>

**9 CASH IN HAND**

Description	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	62,260.00	0.00
<b>Total</b>	<b>62,260.00</b>	<b>0.00</b>

**10 SHORT TERM INVESTMENTS**

Description	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

Description	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Fees arrears	7,828,044.00	0.00
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
<b>Total</b>	<b>7,828,044.00</b>	<b>0.00</b>

Description	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	2,223,381.00	0.00
Fees arrears for the previous year	1,169,281.00	0.00
Fees arrears recoveries	(258,690.00)	0.00
Fees arrears for prior periods (over two years)	4,694,072.00	0.00
<b>Total</b>	<b>7,828,044.00</b>	<b>0.00</b>

**12 ACCOUNTS PAYABLE**

Description	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,018,540.00	0.00
Prepaid fees	-	-
Retention monies	-	-
<b>Total</b>	<b>2,018,540.00</b>	<b>0.00</b>

Description	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	966,443.00	0.00
Trade creditors for the previous year	2,427,924.00	0.00
Trade creditors for prior periods (over two years)	714,328.00	0.00
Less recoveries	(2,090,155.00)	0.00
<b>Total</b>	<b>2,018,540.00</b>	<b>0.00</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 13 FUND BALANCE BROUGHT FORWARD

Description	JAN-JUNE 2021	2019-2020
	Kshs	Kshs
Bank balances	261,973.00	0.00
Cash balances	-	-
Short Term Investments	-	-
Receivables	5,852,913.00	0.00
Payables	(3,142,252.00)	0.00
<b>Total</b>	<b>2,972,634.00</b>	<b>0.00</b>

**PUBLIC SECONDARY SCHOOL****Annual Report and Financial Statements****For six months period ending 30<sup>th</sup> June 2021****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.

**14 Biological assets**

Description	Numbers	JAN-JUNE 2021	2019-2020
		Kshs	Kshs
Cattle	-	-	-
Goats	4	12,000.00	0.00
Trees	-	-	-
Coffee or tea plantation	-	-	-
Poultry	-	-	-
<b>Total</b>	<b>4</b>	<b>12,000.00</b>	<b>0.00</b>

-The above were on management assessment, no professional valuation has been carried out by management.



**PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For six months period ending 30<sup>th</sup> June 2021**

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**15 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>

**PUBLIC SECONDARY SCHOOLS – ISIOLO BARRACK MIXED SECONDARY SCHOOL**

**Reports and Financial Statements**

**For six month period ending 30<sup>th</sup> June 2021**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4. HADIFA ENTERPRISES	170,613.00		0.00	170,613.00	170,613.00	
5. TEMUK BOOK CENTRE	161,120.00		0.00	161,120.00	161,120.00	
6. WINYAMA VENTURES	93,500.00		0.00	93,500.00	93,500.00	
7. BERGIK ENTERPRISES	290,960.00		0.00	290,960.00	290,960.00	
8. FIRE CHIEF LIMITED	12,000.00		0.00	12,000.00	12,000.00	
9. PURITY-DENCA CHEMIST	6,000.00		0.00	6,000.00	6,000.00	
10. SONYMARK TECHNOLOGIES	26,800.00		0.00	26,800.00	26,800.00	
11. POSTAL CORPORATION	15,450.00		0.00	15,450.00	15,450.00	
12. KAMUGA GENERAL SUPPLIES	180,000.00		50,000.00	130,000.00	130,000.00	
13. MWINGUNDO ENTERPRISES	110,000.00		50,000.00	60,000.00	60,000.00	
<b>Sub-Total</b>	<b>1,027,643.00</b>		<b>100,000.00</b>	<b>927,643.00</b>	<b>927,643.00</b>	
<b>Supply of services</b>			0.00			
14. SONYMARK TECHNOLOGIES	26,800.00		0.00	26,800.00	26,800.00	
15. FIRE CHIEF LIMITED	12,000.00		0.00	12,000.00	12,000.00	
<b>Sub-Total</b>	<b>38,800.00</b>			<b>38,800.00</b>	<b>38,800.00</b>	
<b>Grand Total</b>	<b>1,066,443.00</b>		<b>100,000.00</b>	<b>966,443.00</b>	<b>966,443.00</b>	

**PUBLIC SECONDARY SCHOOLS – ISIOLO BARRACK MIXED SECONDARY SCHOOL**

**Reports and Financial Statements**

**For six month period ending 30<sup>th</sup> June 2021**

**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land 1	<b>VALUATION NOT DONE</b>	-	-	-	-	-
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- soft ware	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-