REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MOSOP MIXED SECONDARY SCHOOL

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2021

NAKURU COUNTY

HARAMBEE

MOSOP SECONDARY SCHOOL

REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2021

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

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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 Nakuru County, Njoro Sub-County

The school was registered in January 2016 under registration number 32S30000062 and is currently categorized as a Sub-county school public school established, owned or operated by the Government.

The school is **a day** school and **had 214** number of students as at 30th June 2021. It is a single streamed school with **10 teachers** out of **which 4** teachers are employed by the School Board of Management while the rest are employees of Teachers Service Commission.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of Appointment
1	Mr.Thomas Too	Chairman	14/5/2019
2	Mr. Francis Tonui	Secretary - Principal	14/5/2019
3	Dr. Joshua Langat	Member	14/5/2019
4	Mr.Benard Ngetich	Member	14/5/2019
5	Prof.Thomas Kipkorir Rono	Member	14/5/2019
6	Md. Linet Moraa	Member	14/5/2019
7	Mr. John Rono	Member	14/5/2019
8	Mr.Kirui Josea	Member – Rep CEB	14/5/2019
9	Mr. Nicholus Rotich	Member Rep Teachers	14/5/2019
10	Pastor William Langat	3 Members - Sponsor	14/5/2019
	Md Lucy Wambui	Sponsor	14/5/2019
	Md. Chepngeno Langat	Sponsor	14/5/2019
11	Md Margaret Ruto	Member - Community	14/5/2019
12	Mr,Patrick Kirui	MemberSpecial Needs	14/5/2019
	Laban Kiptoo	Rep Students	14/5/2019

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 paragraph 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**			
2	Audit Committee	Dr.Joshua Langat	Chair person	1/3
		Mrs Linet moraa	Member	1/3
		Mr.Francis Tonui	Member	1/3
3	Finance, procurement and general purposes Committee	Mrs. Linet Moraa	Chair	1/3
		Mr.Francis Korma	Member	1/3
		Mr Janeth Mutai	Member	1/3
4	Academic Committee	Mr. Patrick Kirui	Chair	1/3
		Mr Josea Kirui	Member	1/3
		Md Margaret	Member	1/3
5	Development Committee	Mr John Rono (PA)	Chair	1/3
		Pst.William Langat	Member	1/3
		Md Lucy Ndungu	Member	1/3
		Mr Francis Tonui	Member	1/3
6	Discipline and welfare Committee	Mr Francis Tonui	Chair	1/3
		Mr Francis Korma	Member	1/3
		Mr Thomas Too	Member	1/3
		Dr Joshua Langat	Member	1/3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Francis Tonui	359409
2	Deputy Principal	Mr.Francis Korma	649826
3	School Bursar	Md.Janeth Mutai	ID NO. 22080325

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box:	10 Njoro
Telephone:	0722426717
E-mail:	francis89@gmail.com
Website:	NONE
Facebook:	NONE
Twitter:	NONE

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks:

1. **Operation Acc**
   Name of Bank: Kenya Commercial Bank (K.C.B)
   Branch: Njoro
   Account Number: 1225690765

2. **Tuition Account**
   Name of Bank: Kenya Commercial Bank (K.C.B)
   Branch: Njoro
   Account Number: 1141510715

3. **School Fund/Boarding**
   Name of Bank: Kenya Commercial Bank (K.C.B)
   Branch: Njoro
   Account Number: 1207380792

4. **NGCDF Account**
   Name of Bank: Kenya Commercial Bank (KCB)
   Branch: Njoro
   Account Number: 115075789

5. **Infrastructure Account**:
   Name of Bank: Kenya Commercial Bank (K.C.B)
   Branch: Njoro
   Account Number: 1291831754

(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:

The following is the surplus/ deficit for the year and a comparison of the same for the last three years:

S/NO	Accounts	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	Main Account	69,362	22,617	(8,555)	(914,287)
2	Operation Account	(21,170)	731,926	(118,611.60	(24,283)
3	Tuition Account	(198,610)	183,485	(328,088)	721,396
	Total	(150,418)	938,028	(336,643)	(217,174)
	Increase/(Decrease)	**(1,088,446)**	**1,274,671**	**(119,468)**	**(217,174)**

b) Capitation Grants from The Ministry of Education for the Last Three Years

Serial No.	Accounts	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	Operation Account	1,684,359	3,333,992	2,486,450	2,926,036
2	Tuition Account	277,594	705,033	396,080	1,236,127
	Total	**1,961,953**	**4,039,025**	**2,882,530**	**4,162,163**
	No. of Students	**187**	**203**	**224**	**235**

c) A Three-Year Overview Of Growth Of Other Income(S) Earned By The School

Account	2021	2020	2019	2018
	Ksh	Ksh	Ksh	Ksh
Other income(net)	0	0	0	0
Total	0	0	0	0

d) A three-year overview of growth in expenditure of the school

S/NO	Account	2021	2020	2019	2018
		Kshs	**Kshs**	**Kshs**	**Kshs**
1	Main Account	989,036	[illegible],068,685	1,707,440	2,623,123
2	Operation Account	1,705,529	[illegible],9[illegible],[illegible]24	2,605,062	2,950,320
3	Tuition Account	476,203	[illegible],[illegible]48	724,168	522,061
	Total	**3,170,768**	[illegible],[illegible],[illegible]55	**5,036,669**	**6,095,504**

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

	Movement of debtors				
S/NO	Account	2021	2020	2019	2018
	Main Account	Kshs	Kshs	Kshs	Kshs
1	Debtors	1,498,383	1,413,199	1,449,716	1,261,590

Movement of creditors				
Accounts	2021	2020	2019	2018
	KSHS	KSHS	KSHS	KSHS
Tuition and Operations accounts	868,845	887,409	1,837,982	1,239,206

Movement of cash and bank balances over the last three years

S/NO	ACCOUNTS	2021	2021	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	Main Account	63,646	29,290	6,673	16,929
2	Operation Account	74,281	9,709	2,460	2,046
3	Tuition Account	31,915	1,934	6,264	151,915
	Total	**169,842**	**40,933**	**15,397**	**170,891**

e) Teacher Student ratio- 214/6=1:35

S/NO	Teachers	NUMBER
1	Teachers Recruited	0
2	Teachers Transferred	2
3	Teachers Retired	0
4	Teachers Employed by TSC	6
5	Teachers Employed by BOM	4

S/No	Teacher/subject	Number of teachers
1	English	**1(BOM)**
2	Kiswahili	**1**
3	Maths	**1(BOM)**
4	Physics	**1**
5	Geography	**1(BOM)**

6	History	**1**
7	Business	1
8	Biology	1
9	Chemistry	1(BOM)
10	CRE	1
11	Agriculture	1

f) Mean score in the KCSE:

Performance of the school for each over the last three years:

Year	**2020/2021**	**2019**	**2018**
Performance score(mean)	2.77	2.90	3.045
Students transitioned to higher learning institution (University)	0	0	4

g) Number of Candidates in the KCSE:

Number of Candidates for KCSE over the last three years

Years	2021	2020	2019	2018
Number of candidates	57	57	44	40

h) Capacity of the school:

Number of students as at 31/06/2021;

BOYS	**GIRLS**	**TOTAL**
94	118	212

School facilities

Facility	**Number available**	**Shortages**
Classrooms	5	6
Dining hall	0	
Laboratory	0	
Kitchen	1	Permanent

Facility	Number available	Shortages
Toilets: boys	16(doors)	0
Toilets: Girls	8(Doors)	4
Library store	0	1

Toilets: boys = 1:7

Toilets; girls = 1:15

i) Development projects carried out by the school

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format:

PROJECT	YEAR	SOURCE OF FUNDS	REMARKS
Completion of boys toilets	2021	FDSE/MOE	Fully completed

***Sign*.....**
Elijah Ongori
School Principal

PRINCIPAL
MOSOP MIXED SEC. SCHOOL
23 OCT 2023
P.O. BOX 10 - [illegible]
NJORO

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 Mosop Mixed Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Mr. Thomas Too
Designation: Chairman, School Board of Management
Sign: .....
Date: 23/10/2023.....

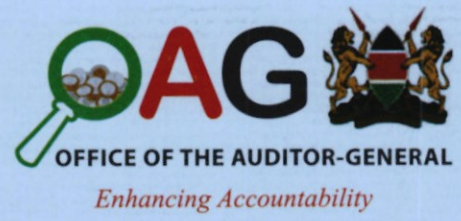
Name: Mr. Elijah Ongori
Designation: Ag. Principal& Secretary to Board of Management
Sign: .....
Date: .....23/10/2023.....

PRINCIPAL
MOSOP MIXED SEC. SCHOOL
23 OCT 2023
P.O. BOX 16 -
NAKURU

Name: Mrs. Janeth Korir
Designation: Bursar
Sign: .....
Date: .....23/10/2023.....

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 MOSOP MIXED SECONDARY SCHOOL FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2021 - NAKURU 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 Mosop Mixed Secondary School - Nakuru County set out on pages 1 to 18, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the six months 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 Mosop Mixed Secondary School - Nakuru County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the 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

1. Inaccuracies in the Financial Statements

Review of the financial statements reflects errors and misstatements affecting various amounts and balances as detailed below;

i. The statement of cash flows reflects increase in receivables amount of Kshs.22,530 which varies with the increase/(decrease) amount of Kshs.1,408,603 in the statement of financial assets and financial liabilities.

ii. The statement of cash flows reflects increase in payables amount of Kshs.256,834 which varies with the increase of Kshs.868,845 in the statement of financial assets and financial liabilities.

iii. The statement of financial assets and liabilities and as disclosed in Note 12 to the financial statements reflects accounts payable balance of Kshs.868,845 which varies with the balance of Kshs.236,400 in Annex 1 - analysis of pending accounts payable. The resultant difference of Kshs.632,445 was not explained.

iv. Biological assets as disclosed in Note 15 to the financial statements indicate that the School owns one (1) milk production cow valued at Kshs.70,000, nine hundred and sixty-seven (967) trees (3 years old) and cyprus trees valued at Kshs.48,350 which were not supported with a basis of valuation.

v. Note 17 to the financial statements disclose Kshs.Nil inventory balance whereas the School had stationeries and food stuff of undetermined value as at 30 June, 2021.

vi. The annexures to the financial statements include Kshs.Nil summary of fixed assets whereas there was existence of assets such as land, buildings and structures, office equipment, furniture and fittings, ICT equipment, tools and apparatus and textbooks.

In the circumstances, the accuracy, completeness, presentation and disclosure of the financial statements could not be confirmed and do not comply with the requirements of the IPSAS and Public Sector Accounting Standards Board.

2. Variances Between Financial Statements and Supporting Schedules

The following variances between the financial statements and the supporting schedules were noted;

i. The statement of receipts and payments reflects payments for tuition amount of Kshs.476,203 while supporting schedules reflects Kshs.271,222 resulting to an unreconciled difference amounting to Kshs.204,981.

ii. The statement of receipts and payments reflects boarding or school fund payments of Kshs.989,036 while the supporting schedules reflects Kshs.940,567 resulting to an unreconciled difference amounting to Kshs.48,469.

iii. The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.1,408,603 while the list of students with fees arrears provided for audit indicated a balance of Kshs.1,362,981 resulting to unexplained variance of Kshs.45,622;

iv. The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.868,845 while the supporting schedule reflects a balance of Kshs.370,007 resulting to an unreconciled variance of Kshs.498,838

In the circumstances, the accuracy and completeness of payments for tuition amount of Kshs.476,203 and boarding/school fund payments of Kshs.989,036 could not be confirmed.

3. Inaccuracies in the Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation for operations amount of Kshs.277,593 and Kshs.1,684,359, respectively as disclosed in Note 1 and Note 2 to the financial statements. Review of National Education Management Information System (NEMIS) revealed that two hundred and twenty-five (225) students while the school enrolment records indicated a range of between one hundred and eight (108) and two hundred and ten (210) students resulting to overfunding amounting to Kshs.184,754. Further, the School had students who were not registered in NEMIS due to lack of birth certificates or duplicate birth certificate numbers. In addition, students who had attained the age of over eighteen (18) years were removed from NEMIS system.

In the circumstances, the accuracy and completeness of the capitation grants for tuition and capitation for operations amount of Kshs.277,593 and Kshs.1,684,359, respectively could not be confirmed.

4. Inaccuracies in the Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.107,924 as disclosed in Note 8 to the financial statements. However, the balance excluded bank balance of Kshs.2,403 in respect of National Government Constituencies Development Fund account. Further, the statement of financial assets and financial liabilities reflects cash balance of Kshs.61,918 which was not supported by a board of survey report.

In the circumstances, the accuracy, completeness, existence, presentation and disclosure of cash and cash equivalents balance of Kshs.169,842 could not be confirmed.

5. Inaccuracies in the Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.1,408,603 which relates to fees arrears as disclosed in Note 11 to the financial statements. However, the fees arrears list provided for audit included overpaid fees of Kshs.249,899 and which ought to have been treated as payables or deferred income. In addition, detailed analysis provided in Note 11 to the financial statements indicates that an amount of Kshs.1,261,590 had remained outstanding for more than two (2) years but there was no evidence on the efforts being made to ensure their full recoverability. Further, the significant accounting policies on accounts receivables as disclosed in Note 5 is silent on the treatment of the students' fees balances which is the major source of income for the school.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.1,408,603 could not be confirmed.

6. Undisclosed Summary of Fixed Assets and Lack of Ownership Documents

Review of list of assets provided for audit indicated fixed assets which includes land, buildings and structures, office equipment, furniture and fittings, ICT equipment, tools and apparatus and textbooks. However, these assets had not been valued and were not disclosed in the summary of fixed asset register in the financial statements. In addition, Management did not maintain an asset register in the format prescribed and the assets were not coded or tagged for ease of identification and tracking of the assets. Further, records provided for audit review indicated that the School had ten (10) acres piece of land comprising of approximately five (5) acres handed over by Mosop Nursery School and another five (5) acres surrendered by a resident in exchange for a portion in another location surrendered to Mosop Primary School. As at the time of audit, in the Month of June, 2023 the title deeds had not been procured and ownership of the two (2) portions of land could not be confirmed.

In the circumstances, the accuracy, completeness, ownership and existence of non-current assets of undetermined value could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mosop Mixed Secondary School

Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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 a final revenue budget of Kshs.4,101,164 against actual receipts of Kshs.3,020,351 resulting to a shortfall of Kshs.1,080,814 or 26% of the budget. Similarly, the statement reflects final expenditure budget of Kshs.12,193,360 against actual expenditure of Kshs.3,170,768 resulting to under-absorption of Kshs.9,022,592 or 74% of the budget.

The under-funding and under-performance affected the School's 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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. **Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be

comparable due to the longer period covered by the current financial period. However, Management presented the annual report and financial statements covering financial year 2020-2021 with no comparative balances. Therefore, the financial statements have not been prepared for eighteen months (18) as prescribed the Public Sector Accounting Standards Board (PSASB). Further, no disclosure was made on the change in the preparation of financial statements from calendar year to Government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply with guidelines issued by the Public Sector Accounting Standards Board (PSASB).

2. Budget Imbalance

The statement of budgeted versus actual amounts reflects a final revenue budget of Kshs.4,101,164 and final expenditure budget of Kshs.12,193,360 resulting to an unexplained difference of Kshs.8,092,196. The budget imbalance is contrary to the provisions of Section 33(c) of the Public Finance Management (National Governments) Regulations, 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

3. Failure to Transfer Infrastructure Funds

The statement of receipts and payments reflects capitation for operations amount of Kshs.1,684,359 as disclosed in Note 2 to the financial statements. However, the amount included maintenance and improvement funds which were not transferred to the school infrastructure account as required by Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021. Further, there were no records provided for audit to show the full amount of infrastructure grants or maintenance and improvement funds which should have been transferred.

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

4. Irregular Transfer of Funds

The statement of receipts and payments reflects payments for operations amount of Kshs.1,705,529 as disclosed in Note 6 to the financial statements. However, an amount of Kshs.38,500 paid to the School was transferred to co-curricular funds of the Kenya Secondary School Heads Association (KSSHA) which is a Welfare Organization that draws its membership from School Principals only. This Organization is therefore not defined in Government Funding 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, the School may not have received value for money amounting to Kshs.38,500 transferred to KSSHA.

5. Ineffective Management of Text books

During the financial year 2020/2021, the Ministry of Education issued one thousand six hundred and eight (1,608) books. Out of this, eight hundred and eight (848) books were issued to the students resulting to an excess of seven hundred and sixty (760) books in the school store. Further, the following observations were noted in the management of text books;

i. Management had no mechanisms in place to track the movement of books distributed to the students.

ii. The exercise books were being stored in a temporary structure that did not have enough storage for the books. Excess books were placed on the floor and therefore not protected against damages caused by excessive cleaning water, deterioration by dampness, or insects.

iii. No proper records for books were maintained for books donated to other schools. Also, there was no list of unutilized books by the School.

iv. No annual stock take was done at the end of the financial year under review to ascertain the actual books available.

v. The Ministry of Education issued set books that were not being used by the students as they had selected another preferred set book hence all the books issued were still in the store.

In the circumstances, value for money on the issuance of text books could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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

Lack of a School Improvement Plan

Review of the School's strategic plan and Board minutes revealed that the Management does not have in place a School Improvement Plan that provides a road map for changes that a school needs to improve the school environment and learning outcomes. It describes what a school improvement plan is, discusses why the plan is needed, and explains how to develop the plan, implement it, as well as how to monitor and evaluate the implementation.

In the circumstances, there is a risk of failing to determine and assess needs, and outlining programs that resolve all the issues uncovered.

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

Responsibilities of Management and those Charged with Governance

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal 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 scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.

- Perform such other procedures, as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

11 October, 2023

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	277,593	0
Capitation grants for operations	2	1,684,359	0
School Fund Income- Parents' Contributions	3	1,058,398	0
School Fund Income- Other receipts	4	0	0
Proceeds from borrowings		0	0
TOTAL RECEIPTS		3,020,350	0
PAYMENTS			
Payments for Tuition	5	476,203	0
Payments for operations	6	1,705,529	0
Boarding and school fund payments	7	989,036	0
TOTAL PAYMENTS		**3,170,768**	**0**
SURPLUS/DEFICIT		**(150,418)**	**0**

The school financial statements were approved on 23/10/ 2023 and signed by:

Sign:.....	**Sign:**.....	**Sign:**.....
Mr. Thomas Too	**Mr. Elijah Ongori**	**Janeth Mutai**
Chair BOM	**Ag. Principal & Secretary to BOM**	**ID No. 22080325**

PRINCIPAL
MOSOP MIXED SEC. SCHOOL
23 OCT 2023
P.O. BOX 10 - 20100
NAKURU

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	107,924	0
Cash Balances	9	61,918	0
Short term Investment	10		0
Total Cash and cash equivalent		**169,842**	**0**
Account's receivables	11	1,408,603	0
TOTAL FINANCIAL ASSETS		**1,578,445**	**0**
FINANCIAL LIABILITIES			
Accounts Payables	12	868,845	0
NET FINANCIAL ASSETS		**709,601**	**0**
REPRESENTED BY			
Accumulated Fund b/fwd	12	860,019	0
Surplus/Deficit for the year		(150,418)	0
NET FINANCIAL POSSITION		**709,601**	**0**

The School's financial statements were approved on 23/10/ 2023 and signed by:

Sign:.....
Mr. Thomas Too
Chair BOM

Sign:.....
Mr. Elijah Ongori
Ag. Principal & Secretary to BOM

Sign:.....
Janeth Mutai
ID No. 22080325

PRINCIPAL
MOSOP MIXED SEC. SCHOOL
23 OCT 2023
P.O. BOX 10 - 00100
NAIROBI

VII. STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

		2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	277,593	0
Capitation grants for operations	2	1,684,359	0
School fund income- Parents contributions/ fees	3	1,058,398	0
School fund income- other receipts	4	0	0
Increase/Decrease in Receivables		22,530	
Total receipts		**3,042,880**	0
Payments			
Payments for Tuition		476,203	0
Payments for operations		1,705,529	0
Boarding and school fund payments		989,036	0
Increase in Payables		(256,834)	
Total payments		**2,913,934**	0
Net cash flow from operating activities		**128,946**	0
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash flows from Investing Activities		**128,946**	0
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash flow from financing activities		**0**	0
NET INCREASE IN CASH AND CASH EQUIVALENTS		**128,946**	0
Cash and cash equivalent at BEGINNING of the year		**40,896**	0
Cash and cash equivalent at END of the year		**169,842**	0

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

Receipt/expenditure 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
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials						
Exercise books	172,000		172,000	108,769	63,231	63%
Laboratory equipment	84,230		84,230	57,000	27,230	68%
Internal exams	78,654		78,654	47,500	31,154	60%
Teaching / learning materials	92,800		92,800	48,581	44,219	52%
Chalks	10,000		10,000	4,500	5,500	45%
Reference materials	37,480		37,480	11,244	26,236	30%
Teachers guides/						
TOTAL	**475,164**	**0**	**475,164**	**277,594**	**197,570**	**58%**
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	846,500		846,500	512,750	333,750	61%
Repairs and maintenance	920,000		920,000	776,500	143,500	84%
Local transport / travelling	200,500		200,500	145,000	55,500	72%
Electricity and water	78,600		78,600	35,359	43,241	45%
Medical	26,800		26,800	0	26,800	0%
Administration costs	285,600		285,600	203,750	81,850	71%
Activity	50,000		50,000	11,000	39,000	22%
Gratuity						
TOTAL	**2,408,000**	**0**	**2,408,000**	**1,684,359**	**723,641**	**90%**
(3) FEES CHARGED ON PARENTS						

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
Personnel emoluments						
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
Lunch Programme	1,218,000		1,218,000	1,058,398	159,602	87%
Fee on Boarding Equipment and Stores						
TOTAL	**1,218,000**	**0**	**1,218,000**	**1,058,398**	**159,602**	**90%**
OTHER INCOME						
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						
TOTAL	**0**	**0**	**0**	**0**	**0**	
TOTAL INCOME	**4,101,164**	**0**	**4,101,164**	**3,020,351**	**1,080,813**	**74%**
(I) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	160,000		160,000	191,786	(31,786)	120%
Laboratory equipment			0		0	
Internal exams	75,500		75,500	65,724	9,776	87%
Teaching / learning materials	92,800		92,800	147,581	(54,781)	159%
Chalks	10,000		10,000	4,500	5,500	45%

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
Reference books	37,460		37,460	66,000	(28,540)	176%
Teachers guides						
Administration costs						
Bank Charges				612		
TOTAL	**375,760**	**0**	**375,760**	**476,203**	**(99,831)**	**127%**
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	850,000		850,000	521,400	328,600	61%
Repairs, maintenance & improvements	9,100,000		9,100,000	770,180	8,329,820	8%
Local transport / travelling	200,000		200,000	145,115	54,885	73%
Electricity, water and conservancy	78,600		78,600	35,255	43,345	45%
Medical			0		0	
Administration costs	285,000		285,000	221,121	63,879	78%
Activity Expenses	50,000		50,000	11,600	38,400	23%
Gratuity					0	
Bank Charges				858	(858)	
TOTAL	**10,563,600**	**0**	**10,563,600**	**1,705,529**	**8,858,071**	**16%**
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments						
Repairs, maintenance and improvements						
Personal Emmolument	154,000		154,000	101,200	52,800	66%
Electricity, water and conservancy						
Medical Expenses						
Administration costs						
Activity						
Gratuity						
Lunch programme	1,100,000		1,100,000	887,332	212,668	81%
Boarding Equipment and Stores						

Receipt/Expenditure 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
Expenditure for Income Generating Activity						
Insurance costs						
Other expenses on investments						
Rent Expenses						
Bank Charges				504	(504)	
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition of Assets						
TOTAL	**1,254,000**	**0**	**1,254,000**	**989,036**	**264,964**	**79%**
TOTAL EXPENDITURE	**12,193,360**	**0**	**12,193,360**	**3,170,768**	**9,023,204**	**26%**
Deficit	**(8,092,196)**	**0**	**(8,092,196)**	**(150,417)**	**(7,942,391)**	

Notes:

1. The underperformance on majorly was as a result of low enrolment that resulted in low capitation.
2. The over expenditure on tuition was as a result of unpaid creditors
3. Exercise books, teaching and learning materials, reference and learning materials, and chalks under capitation of grant was a result of low capitation grants received.
4. The 0% performance on medical was as a result of the school receiving nil capitation grants on medical vote head.
5. The underperformance of on activity vote head was as a result of low capitation grants on activity as much was retained at the Ministry of Education.
6. The overperformance of 125% on exercise books was as a result of inflationary rates.
7. The underperformance of Repair, Maintenance and Improvement of was due to few repairs done.
8. The underperformance of 88% on EWC was as a result of a borehole sunk in school.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

10. **Subsequent events**
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021 Kshs	2019-2020 Kshs
Textbooks and reference materials	0	0
Exercise books	108,769	0
Laboratory equipment	57,000	0
Internal exams	47,500	0
Teaching / learning materials	48,581	0
Chalks	4,500	0
Reference books	11,243	0
Teachers guides		0
Total	**277,593**	**0**

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	512,750	0
Repairs and maintenance	776,500	0
Local transport / travelling	145,000	0
Electricity and water	35,359	0
Medical	0	0
Administration costs	203,750	0
Activity	11,000	0
Total	**1,684,359**	**0**

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	0	0
Repairs and maintenance	0	0
Lunch Programme	1,058,398	0
Electricity and water	0	0
Medical	0	0
Administration costs	0	0
Activity	0	0
Total	**1,058,398**	**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	0	0
Rent income	0	0
Income from farming activities	0	0
Insurance compensation	0	0
Income from Posho mill	0	0
Income from Bus Hire	0	0
Fee for hire of ground and equipment	0	0
Income from grants and donations*	0	0
Interest income	0	0
Dividends income	0	0
Total	**0**	**0**

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	191,786	0
Laboratory equipment	0	0
Internal exams	65,724	0
Teaching / learning materials	147,581	0
Chalks	4,500	0
Exams and assessment	0	0
Reference books	66,000	0
Administration Costs	0	0
Bank Charges	612	0
Total	**476,203**	**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	521,400	0
Service Gratuity	0	0
Administration Cost	221,121	0
Repairs and maintenance & improvements	770,180	0
Local transport / travelling	145,115	0
Electricity and water	35,255	0
Medical	0	0
Activity Expenses	11,600	0
SMASSE	0	0
Insurance Cost	0	0
Bank Charges	858	0
Acquisition of Assets	0	0
TOTAL	**1,705,529**	**0**

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	101,200	0
Service Gratuity	0	0
Repairs and maintenance & Improvements	0	0
Local transport / travelling	0	0
Electricity and water	0	0
Medical Expenses	0	0
Administration costs	0	0
Lunch Programme	887,332	0
Bank Charges	504	0
Expenses on Income Generating Activities	0	0
Fee on Boarding Equipment and Stores	0	0
Rent Expenses	0	0
Insurance Cost (Life Property)	0	0
Loan Principal repayment	0	0
Loan Interest repayment	0	0
Acquisition of Assets	0	0
TOTAL	**989,036**	**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1141510715	31,915	0
Operations Account	1225690765	52,274	0
School Fund Account/Boarding	1207380792	23,735	0
CDF Account	1150757892	0	0
Infrastructure Account	1291831754	0	0
Savings Account			0
Parent Association Development Account			0
Income generating activities Account			0
Infrastructural Account			0
Total		**107,924**	**0**

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0	0
Operation Account	22,007	0
School Fund account	39,911	0
Total	**61,918**	**0**

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	**0**	**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears	1,408,603	0
Other non-fees receivables		0
Salary advances		0
Imprest		0
Total	**1,408,603**	**0**

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears for current year	67,250	0
Fees arrears for the previous year	169,543	0
Fees arrears for prior periods (over two years)	1,261,590	0
Less Recovered Fees	(89,780)	0
Total	**1,408,603**	**0**

12 ACCOUNTS PAYABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors (See ageing below and appendix 1)	868,845	0
Prepaid fees	0	0
Retention monies	0	0
Total	**868,845**	**0**

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors for current year	394,334	0
Trade creditors for the previous year	612,011	0
Trade creditors for prior periods (over two years)	0	0
Less Creditors Paid	(137,500)	0
Total	**868,845**	**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021 Kshs	2019-2020 Kshs
Bank balances	40,895	0
Cash balances	0	0
Short Term Investments	0	0
Receivables	1,431,133	0
Payables	(612,015)	0
Total	**860,018**	**0**

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 Non-current Liabilities Summary

Description	2020-2021 Kshs	2019-2020 Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total	**0**	**0**

15 Biological assets

Description	Numbers	2020-2021 Kshs	2019-2020 Kshs
Milk producing Cow	1	70,000	0
Trees(3years old)Cyprus	967	48,350	0
Total	**968**	**118,350**	**0**

16 Borrowings

Description	2020-2021 KShs	2019-2020 KShs
a) Borrowings		
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
Balance at end of the year	**0**	**0**

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021 KShs	2019-2020 KSh
b) Borrowings		
Stock/ inventory at beginning of the year	0	0
Stock/ inventory purchased during the year	0	0
Stock/ inventory issued during the year	0	0
Balance at end of the year	**0**	**0**

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

This being the first time being audited by Office of the Auditor-General, there has been no previous issues raised that requires comments.

***Sign*.....**
Elijah Ongori
School Principal

PRINCIPAL
MOSOP MIXED SEC SCHOOL
23 OCT 2023
P.O. BOX 10 - 20
NO

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 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. Shanice general Supplier		15/5/2018		236,400		
5.						
6.						
Sub-Total				**236,400**		
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total				**236,400**		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total						

The school management does not have adequate resources to do valuation of its fixed assets. The management shall source for resources to do so going forward.