

REPUBLIC OF KENYA



*Enhancing Accountability*



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**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAYD	
DATE: 30 NOV 2023	DAY: 31st
TABLED BY: <b>OF</b>	Hon Naomi Wago, MP Deputy majority whip
CLERK-AT THE TABLE:	A. Shubiko

**THE AUDITOR-GENERAL**

**ON**

**NAMBALE BOYS HIGH SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**BUSIA COUNTY**



01 AUG 2023

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***NAMBALE BOYS HIGH SCHOOL  
P.O BOX 23-50409  
NAMBALE***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2021**

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

*NAMBALE BOYS HIGH SCHOOL*  
**Reports and Financial Statements For the year ended 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 BUSIA County, NAMBALE Sub-County

The school was registered in 4/09/2015 under registration number 40S300000049 and is currently categorized as an extra county public school established, owned and operated by the Government.

The school is a boarding school and had 1292 numbers of students as at 30<sup>th</sup> June 2021. It has 07 streams and 50 teachers of which 16 teachers are employed by the School Board of Management.

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

Ref:	Name of Board Member	Designation	Date of appointment
1	PROF. OKUMU W. BIGAMBO	Chairman	2018
2	MR. CHARLES HONGO	Secretary – Principal	2018
3	DR. FREDRICK JUMA	Member	2018
4	MS. PHYLLICE AMWAYI KASABDY	Member	2018
5	MR. OTIENO M.C.A DAVID	Member	2018
6	MR.ERICKJUMBA	Member	2018
7	MR. TIMOTHY OTINDO	Member	2018
8	DR. GEORGE KWEDHO	Member – Rep CEB	2018
9	PROF. MARTIN ETYANG	Member Rep Teachers	2018
10	PROF. MICHEAL OKWARA MR.STEPHEN EREBOI ONANU MARY INGUNYI ODONGO	3 Members – Sponsor	2018
11	MS.GRACE AHONO AMBOLE	Member – Community	2018
12	MS HELLEN MUKANDA	MemberSpecial Needs	2018
	JUMBA ERICK	Rep Students	2018

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

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

- 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	PROF.OKUUMU W. BIGAMBO MR. CHARLES HONGO MR. ONANU STEPHEN MS HELLEN MUKANDA MS.MARY ODONGO		3
2	Audit Committee	DR.FREDRICK JUMA MR.OTINDO TIMOTHY		3
3	Finance,procurement and general purposes Committee	MS.MARY ODONGO DR.ENG. GEORGE KWEDHO PROF.MARTIN ETYANG MS.HELLEN MUKANDA		3
4	Academic Committee	DR.ENG. GEORGE KWEDHO MR.CHARLES		3

		HONGO PROF. OKELLO OKWARA	
5	Development Committee	MR. CHARLES HONGO DR JUMA FREDRICK MR.OTINDO TIMOTHY	3
6	Discipline and welfare Committee	MR. TIMOTHY OTINDO DR.JUMA FREDRICK MR.PHYLLICE AMWAYI MR.ONANU STEPHENE MS.GRACE AHONO AMBOLE	3
7	Adhoc Committee (if any during the year)	N/A	

**(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	TOM M.O.AMADI	349924
2	Deputy Principal	STANELY WACHUDI	440911
3	School Bursar	JOHN MAUKO NGAO	

**(e) Schools contacts**

Post Office Box: 23-50409 NAMBALE  
 Telephone: 0777524046  
 E-mail: nambaleboy@gmail.com

Website: N/A  
 Facebook:  
 Twitter:

**(f) School Bankers**

The school operated 05 numbers of bank accounts in the following banks:

*NAMBALE BOYS HIGH SCHOOL*

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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1. Name of Bank: NBK  
Branch: BUSIA  
Account Number: 01242036813601
2. Name of Bank: NBK  
Branch: BUSIA  
Account Number: 01025036813600
3. Name of Bank: NBK  
Branch: BUSIA  
Account Number: 01047036813600
4. Name of Bank: KCB  
Branch: BUSIA  
Account Number: 1105201392
5. Name of Bank: KCB  
Branch: MUMIAS  
Account Number: 1105201570

6. MPESA Pay Bill No. 522123 attached to 1105201392 bank account

**(g) Independent Auditors**

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



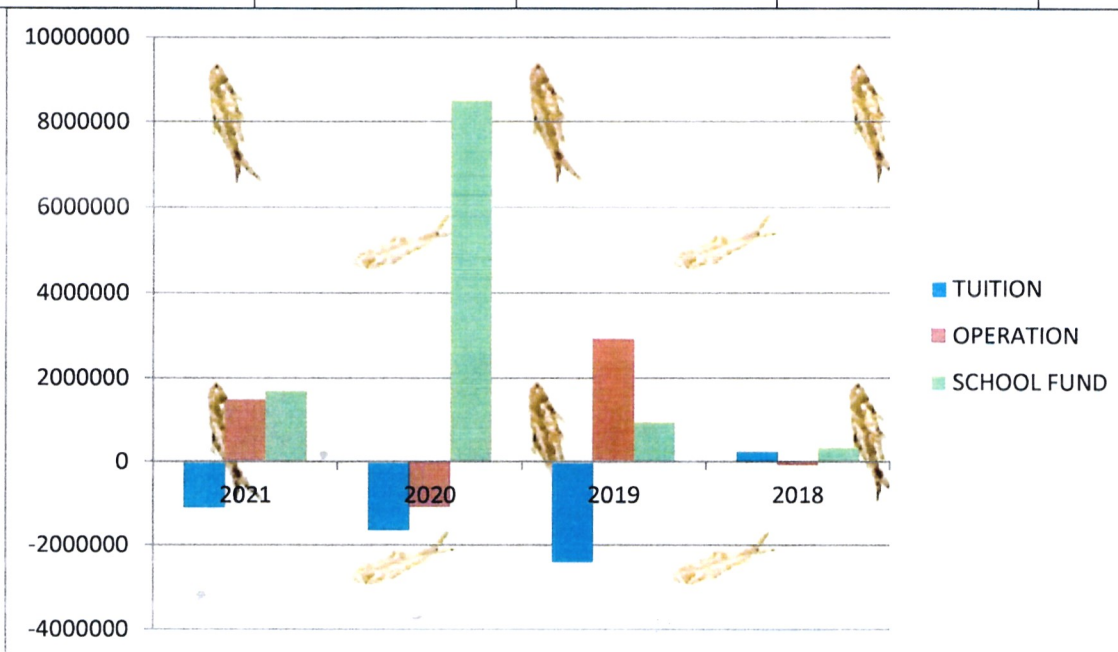
**II. Summary Report of Performance of the School**

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

a) **Financial performance:**

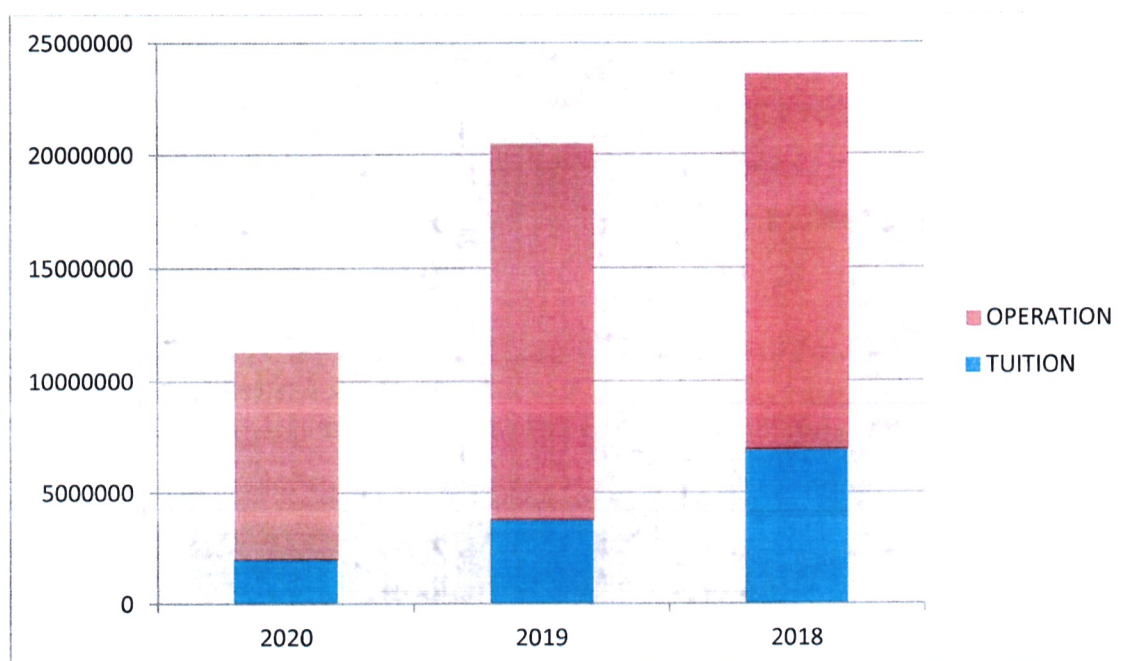
- Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	2021	2020	2019	2018
TUITION	(1,088,500)	(1624948.00)	(2385008.70)	253775.00
OPERATION	1,473,438	(1094126.20)	2908231.45	(85746.50)
SCHOOL FUND	1,688,786	8506164.16	947975.37	339012.34



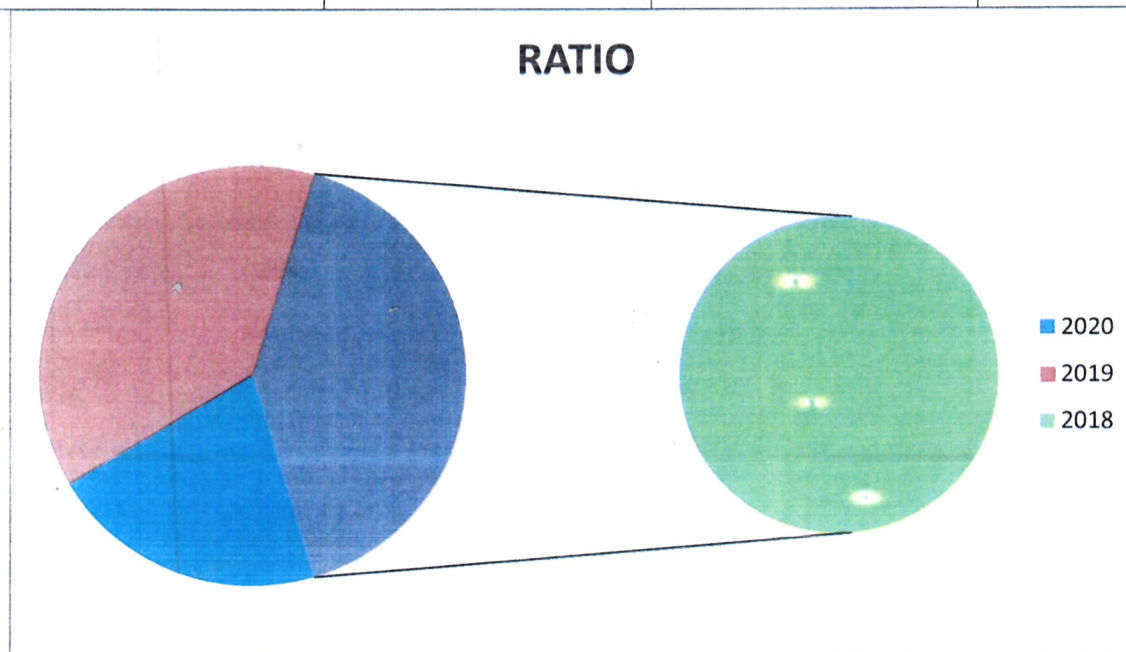
- Capitation grants from the Ministry of Education for the last three years

YEAR	2020	2019	2018
TUITION	2009950.00	3805070.00	6928895.25
OPERATION	9290817.60	16717016.55	16692160.04
TOTAL	11300767.60	20522086.55	23621055.25



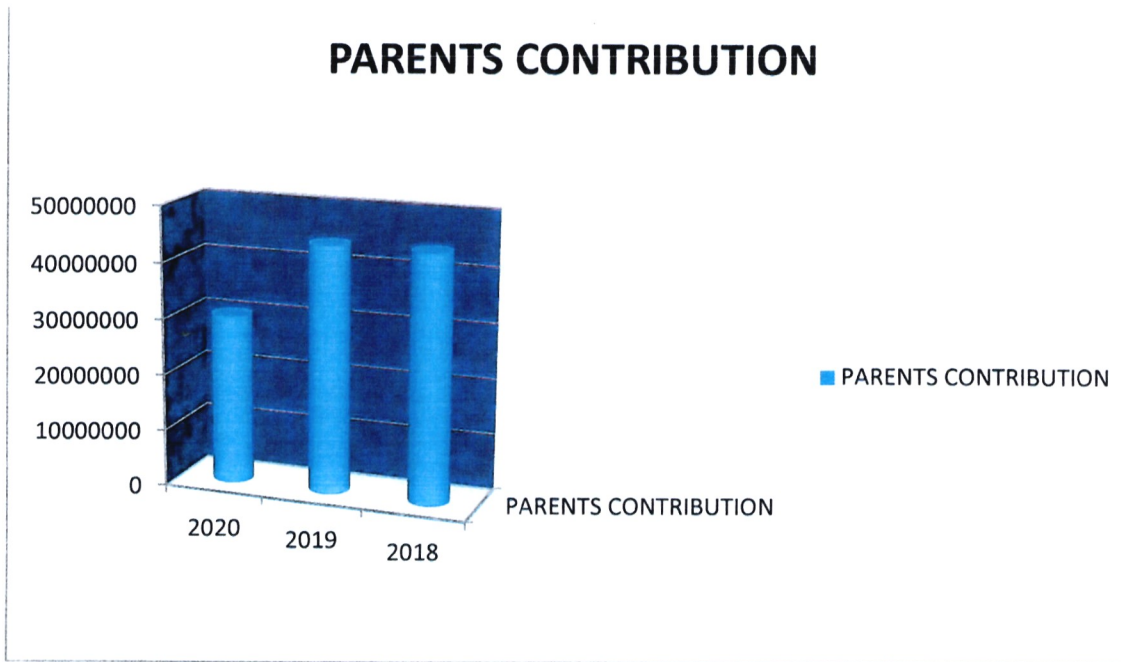
- Ratio of capitation grant per student over the last three years

YEAR	2020	2019	2018
RATIO	9417.00	17101.73	18170.04



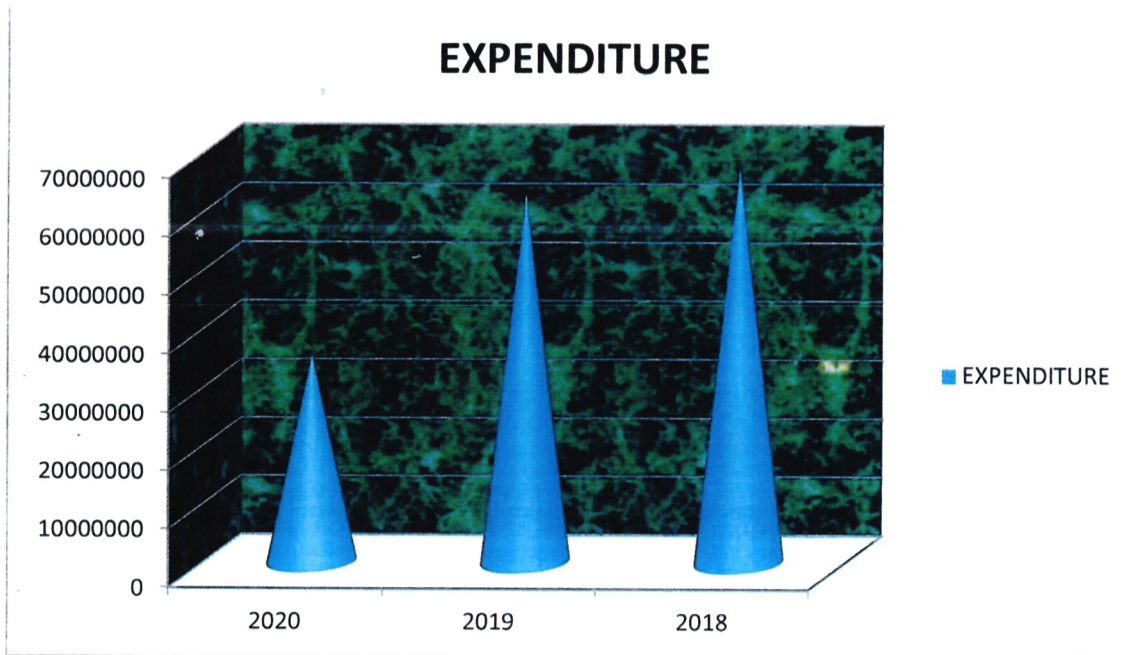
- A three-year overview of growth of other income(s) earned by the school.

YEAR	2020	2019	2018
PARENTS CONTRIBUTION	30187921.67	44051566.00	44050599.00



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

YEAR	2020	2019	2018
EXPENDITURE	35701599.31	63102454.43	67936303.45

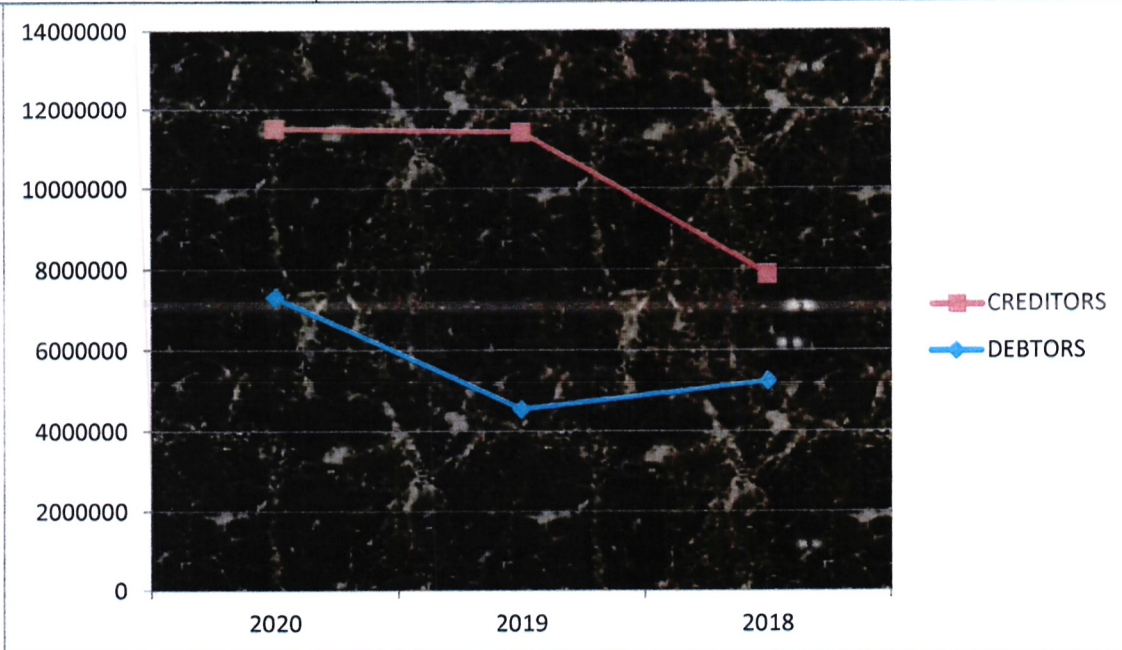


**NAMBALE BOYS HIGH SCHOOL**

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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

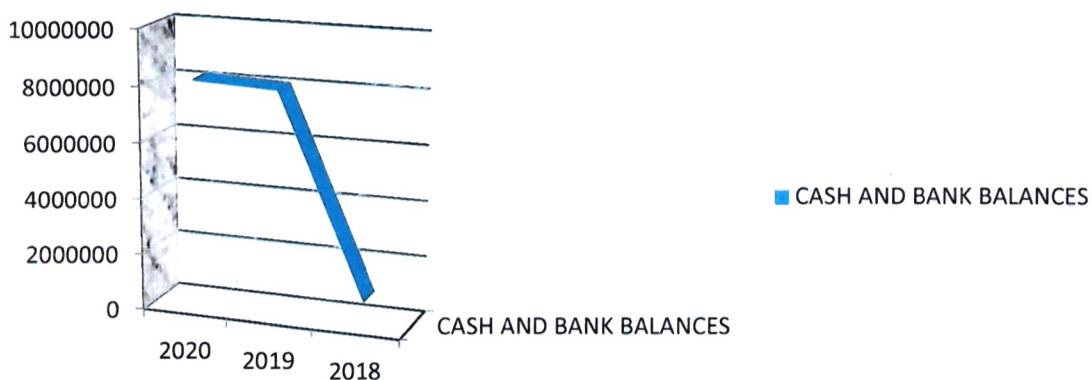
YEAR	2020	2019	2018
DEBTORS	7311506	4537332	5230838.00
CREDITORS	4193549.00	6864835.00	2644917.00



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

YEAR	2020	2019	2018
CASH AND BANK BALANCES	8180499.97	8055145.80	850388.78

### CASH AND BANK BALANCES



**b) Teacher Student ratio:**

<i>Teachers employed by TSC</i>	<i>34</i>
<i>Teachers employed by BOM</i>	<i>16</i>
<i>Teachers retired</i>	<i>00</i>
<i>Teachers posted</i>	<i>00</i>
<i>Teachers Transferred</i>	<i>00</i>
<i>Teachers to student ratio</i>	<i>26: 1 teacher</i>

**c) Mean score in the 2021 KCSE:**

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN SCORE</i>	<i>MEAN GRADE</i>	<i>UNIVERSITY ENTRY</i>
<i>2021</i>	<i>250</i>	<i>5.616</i>	<i>C</i>	<i>71</i>
<i>2020</i>	<i>173</i>	<i>6.593</i>	<i>C+</i>	<i>86</i>
<i>2019</i>	<i>368</i>	<i>6.202</i>	<i>C</i>	<i>164</i>

**d) Number of Candidates in the 2021 KCSE:**

*NAMBALE BOYS HIGH SCHOOL*

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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<i>YEAR</i>	<i>CANDIDATES</i>
2021	250
2020	173
2019	368

**e) Capacity of the school:**

<i>DINNING HALL</i>	<i>01</i>
<i>LAB</i>	<i>04</i>
<i>CLASSROOM</i>	<i>28</i>
<i>DORM</i>	<i>09</i>
<i>TOILETS</i>	<i>54 DOORS</i>
<i>KITCHEN</i>	<i>01</i>
<i>BATHROOMS</i>	<i>39 PCS</i>
<i>TEACHERS HOUSES</i>	<i>12</i>
<i>PLAY GROUND</i>	<i>02</i>
<i>SICK BAY</i>	<i>01</i>
<i>SCHOOL CANTEEN</i>	<i>01</i>

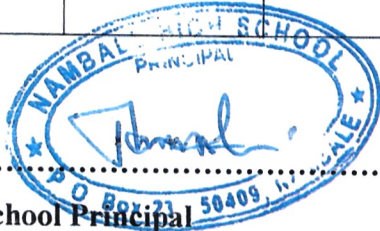
NAMBALE BOYS HIGH SCHOOL

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

YEAR	NAME OF PROJECT	SOURCE OF FUNDING	INITIAL COST	AMOUNT PAID	BALANCE	STATUS OF PROJECT
2021	Construction of 4 classrooms	MOE (MI)	Ksh.4,876,460.00	Ksh.4,876,460.00	nil	Complete and in use



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 (PSASB) 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 *NAMBALE BOYS HIGH 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: *Prof. W. Okumu-Bigambo*  
Designation: Chairman, School Board of Management  
Date: *31/9/23*

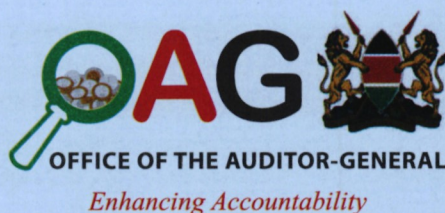
.....  
Name: *Prof. W. Okumu-Bigambo*  
Designation: School Principal & Secretary to Board of Management  
Date: *31/9/23*

.....  
Name: *CPA JOHN M NG'ATHI*  
Designation: Bursar/ Finance Officer  
Date: *31/9/23*



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON NAMBALE BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - BUSIA COUNTY**

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### **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 Nambale Boys High School - Busia County set out on pages 1 to 20, 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 statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Nambale Boys High School – Busia 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 the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Unconfirmed Capitation Grants for Tuition and for Operations**

The statement of receipts and payments reflects an amount of Kshs.1,424,419 in respect of capitation grants for tuition and Kshs.8,928,616 in respect of capitation grants for operations. However, review of the receipt acknowledgements as per NEMIS Report revealed total receipts of Kshs.1,436,038 and Kshs.6,746,178 in respect of capitation grants for tuition and for operations, resulting in an unexplained and unreconciled variance of Kshs.11,619 and Kshs.2,182,438 respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and capitation grants for operations of Kshs.1,424,419 and Kshs.8,928,616 respectively, could not be confirmed.

#### **2. Unsupported and Long Outstanding Accounts Receivable**

The statement of financial assets and financial liabilities and disclosed in Note 11 to the financial statements reflects accounts receivable balance in respect of fees arrears of Kshs.39,351,339. However, the supporting schedule provided did not include ageing analysis of individual students fees arrears. Further, review of the summary schedules provided for audit review revealed balances amounting to Kshs.35,014,656 related to the year 2020 and prior years.

In the circumstances, the accuracy, completeness and recoverability of accounts receivable balance of Kshs.39,351,339 could not be confirmed.

#### **3. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities and as disclosed under Notes 8 and 9 to the financial statements, reflects cash and cash equivalents balance of Kshs.5,852,244 which includes Kshs.5,840,898 and Kshs.11,340 in respect of bank and cash in hand balances. However, these balances were not supported with bank reconciliations statements and board of survey report.

In the circumstances, the accuracy and completeness of the balance of Kshs.5,852,244 in respect of cash and cash equivalents could not be confirmed.

#### **4. Unsupported Accounts Payable**

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.7,737,743 as disclosed in Note 12 to the financial statements, which includes balances of Kshs.6,334,721 and Kshs.1,403,022 in respect of trade creditors and prepaid fees respectively. However, the detailed schedules in support of trade creditor and prepaid fees were not provided for audit review.

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.7,737,743 could not be confirmed.

#### **5. Unsupported Board of Management Allowances and Transport Reimbursements**

The statement of receipts and payments and as disclosed under Note 7 to the financial statements, reflects boarding and school fund payments of Kshs.18,267,794 which includes an amount of Kshs.1,107,790 in respect of local transport and travelling. Further, local transport and travel expenditure includes subsistence allowances and transport reimbursements of Kshs.455,000 paid to Board of Management. However, the expenditure was not supported by signed Board minutes and attendance registers.

In the circumstances, the regularity, accuracy and completeness of the expenditure of Kshs.455,000 in respect of Board of Management subsistence allowances could not be confirmed.

#### **6. Unsupported Personnel Emoluments**

The statement of receipts and payments and as disclosed in Notes 6 and 7 to the financial statements reflects amounts of Kshs.2,821,908 and Kshs.821,621 in respect of personnel emoluments, all totalling Kshs.3,643,529. However, supporting documents including payrolls and approved staff establishment were not provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.3,643,529 in respect of personnel emoluments could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nambale Boys High School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with the Public Sector Accounting Standards Board 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 the financial statements for longer period is due to the adoption of IPSAS for schools 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 for a period of six (6) months ending 30 June, 2021 with no comparative balances for financial year 2019. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed by the Public Sector Accounting Standards Board.

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 the longer period covered by the current financial period.

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

## **2. Failure to Appoint an Inspection and Acceptance Committee**

The statement of receipts and payments and as disclosed under Note 6 and 7 to the financial statements, reflects amounts of Kshs.1,092,900 and Kshs.1,030,780 in respect of maintenance and improvements, all totalling Kshs.2,123,680. However, the payments were not supported with the inspection and acceptance reports and procurement records supporting the identification of the suppliers.. This was in contravention of Section 48 (1)(b) and (4)(b) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to establish an ad hoc committee known as the inspection and acceptance committee which shall inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract.

In the circumstances, Management was in breach of the law and value for money for Kshs.2,123,680 incurred on the repairs and maintenance and improvements was not obtained.

## **3. Delay in Payment for Work Done - Drainage Works Around the Septic Tank**

Review of the procurement documents provided for audit revealed that Management entered into a contract to construct drainage works for four hundred (400) persons capacity septic tank. The contract was awarded to a local company on 2 July, 2020 at a contract sum of Kshs.3,318,550. Review of records including the School Infrastructure Committee minutes indicated that due unforeseen events, the design of the drainage works around the septic tank project was changed. However, evidence of approval by Accounting Officer of the revised bill of quantities was not provided for audit.

Further, due to the increased cost, the project was re-advertised as a separate tender at a contract sum of Kshs.1,541,907. Audit verification carried out on 14 June, 2023 revealed that confirmed that the project was complete and in use but the contractor had not been paid Kshs.1,541,907. No reason for the delay was provided.

## **4. Unapproved Budget**

The statement of budget versus actual amounts for the six months' period ended 30 June, 2021 reflects final total income budget and actual on comparable basis of Kshs.92,283,000 and Kshs.32,038,752 respectively, resulting in an under-funding of Kshs.58,950,806 or 64% of the budget. Similarly, the statement reflects final budget expenditure and actual on comparable basis of Kshs.93,018,400 and Kshs.28,865,006, resulting in under-absorption of Kshs.66,553,665 or 72% of the budget.

Further, the budget amounts presented was not supported by approved budget, contrary to Regulation 31(1)(3) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations. Further, the Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his national

government entity during the financial year and the estimates are submitted to the National Treasury in the manner and format to be issued by the Cabinet Secretary'.

In the circumstances, the under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public and the Management was in breach of the law.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Risk Management Policy**

Review of the documents and records provided for audit revealed that the School Management has no established Risk Management Policy. This was contrary to Regulation 165(1) (a-b) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management may not effectively identify risks and develop mitigating strategies.

#### **2. Lack of Approved Information Technology Security Policy**

Review of the School's Information Technology Systems revealed that the School did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the School to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and

procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School may be exposed to financial losses or falsification of records in the absence of information and communication Technology policy.

### **3. Students Enrolment Data**

Review of the National Education Management Information System (NEMIS) report and the School's manual enrolment register for the year under review revealed inconsistencies in respect of the number of students captured in the two registers with the number of students captured in NEMIS being lower than the number in the School's manual register. Further, the variances resulted in under-funding by Kshs.2,232,724

In the circumstances, the effectiveness of internal controls on management of student enrollment data 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 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 controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a




basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, SBS  
AUDITOR-GENERAL

**Nairobi**

**12 October, 2023**

**NAMBALE BOYS HIGH SCHOOL**

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

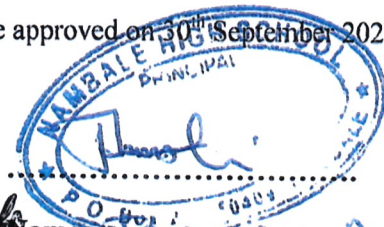
**V. Statement of Receipts and Payments Period to 30<sup>th</sup> June 2021**

Description Of Vote Head	Note	2020-2021
		Kshs
<b>Receipts</b>		
Capitation grants for tuition	1	1,424,418
Capitation grants for operations	2	8,928,616
School fund income- parents' contributions	3	21,131,962
School fund income- other receipts	4	553,756
Proceeds from borrowings		
<b>Total Receipts</b>		<b>32,038,752</b>
<b>Payments</b>		
Payments for tuition	5	1,635,020
Payments for operations	6	8,962,192
Boarding and school fund payments	7	18,267,794
<b>Total Payments</b>		<b>28,865,006</b>
<b>Surplus/Deficit</b>		<b>3,173,746</b>

The school financial statements were approved on 30<sup>th</sup> September 2021 and signed by:

Name: *Ref. Ndungu*  
Chair BOM

Date: 04/07/23



Name: *Tom M. Amoy*  
School Principal/ Secretary to BOM

Date: 04/07/23

*[Signature]*

Name: *Chit John M. Muli*  
Bursar/ Finance Officer

Date: 04/07/23

**NAMBALE BOYS HIGH SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

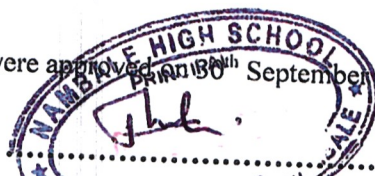
**VI. Statement of Financial Assets and Financial Liabilities as At 30<sup>th</sup> June 2021**

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	4,806,701	1,632,745
Cash balances	9	11,346	11,556
Short term investment	10	-	-
<b>Total cash and cash equivalent</b>		<b>4,818,047</b>	<b>1,644,301</b>
Account's receivables	11	39,351,339	35,828,827
<b>Total financial assets</b>		<b>44,169,386</b>	<b>37,473,128</b>
<b>Financial liabilities</b>			
Accounts payables	12	7,737,743	4,215,231
<b>Net financial assets</b>		<b>36,431,643</b>	<b>33,257,897</b>
<b>Represented by</b>			
Accumulated fund b/fwd	13	33,257,897	33,257,897
Surplus/deficit for the year		3,173,746	-
<b>Net financial position</b>		<b>36,431,643</b>	<b>33,257,897</b>

The school's financial statements were approved on 18<sup>th</sup> September 2021 and signed by:

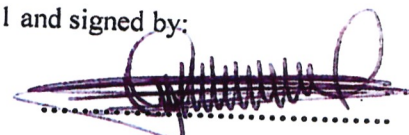
Name: *[Signature]*  
 Chair BOM

Date: 04/07/23



Name: *[Signature]*  
 School Principal/ Secretary to BOM

Date: 04/07/23



Name: CPA JAMES M NG'ENI

Bursar/ Finance Officer

Date: 04/07/23

VII. Statements of Cash Flows for the Period Ended 30<sup>th</sup> June 2021

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	1,424,418	-
Capitation grants for operations	2	8,928,616	-
School fund income- parents contributions/ fees	3	21,131,962	-
School fund income- other receipts	4	553,756	-
<b>Total receipts</b>		<b>32,038,752</b>	-
<b>Payments</b>			
Payments for tuition	5	1,635,020	-
Payments for operations	6	8,962,192	-
Boarding and school fund payments	7	18,267,794	-
<b>Total payments</b>		<b>28,865,006</b>	-
<b>Net cash flow from operating activities</b>		<b>3,173,746</b>	-
<b>Cash flow from investing activities</b>		-	-
Proceeds from sale of assets			
Acquisition of assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash flows from investing activities</b>		<b>3,173,746</b>	-
<b>Cash flow from borrowing activities</b>		-	-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>3,173,746</b>	-
<b>Cash and cash equivalent at beginning of the year</b>		<b>1,644,301</b>	<b>1,644,301</b>
<b>Cash and cash equivalent at end of the year</b>		<b>4,818,047</b>	<b>1,644,301</b>

VIII. Statement Of Budgeted Versus Actual Amounts for the Year Ended 30<sup>th</sup> June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
<b>Receipts</b>						
<b>(1) Capitation Grant on Tuition</b>						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials	17,030,000	-	17,030,000	1,424,418	15,605,582	8%
Chalks						
Exams And Assessment						
<b>Sub total</b>	<b>17,030,000</b>	<b>-</b>	<b>17,030,000</b>	<b>1,424,418</b>	<b>15,605,582</b>	<b>8%</b>
<b>(2) Capitation Grant on Operations</b>						
Personnel emoluments	7,481,000	-	7,481,000	2,028,487	5,452,513	27%
Repairs and maintenance	2,452,000	-	2,452,000	4,097,750	(1,645,750)	167%
Local transport / travelling	2,383,000	-	2,383,000	576,399	1,806,601	24%
Electricity and water	4,096,000	-	4,096,000	1,279,659	2,816,341	31%
Medical	2,599,000	-	2,599,000	-	2,599,000	0%
Administration costs	2,043,000	-	2,043,000	946,321	1,096,679	46%
Activity	1,633,000	-	1,633,000	-	1,633,000	0%

**NAMBALE BOYS HIGH SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

Receipt/Expenses Item	Original Budget A K shs	Adjustments b K shs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d K shs	% of Utilization f=d/c % K shs
<b>Sub total</b>	<b>22,687,000</b>	<b>-</b>	<b>22,687,000</b>	<b>8,928,616</b>	<b>13,758,384</b>	<b>39%</b>
<i>(3) Fees Charged on Parents</i>						
Personnel emoluments	4,030,000	-	4,030,000	1,433,805	2,596,195	36%
Repairs and maintenance	3,120,000	-	3,120,000	1,235,552	1,884,448	40%
Local transport / travelling	845,000	-	845,000	310,686	534,314	37%
Electricity and water	6,370,000	-	6,370,000	1,923,372	4,446,628	30%
Fees arrears recovered	-	-	-	3,789,136	(3,789,136)	0%
Administration costs	2,405,000	-	2,405,000	1,229,285	1,175,715	51%
Activity	195,000	-	195,000	122,334	72,666	63%
SMASSE						
Fee on Boarding Equipment and Stores	35,601,000	-	35,601,000	11,087,792	24,513,208	31%
<b>Sub total</b>	<b>52,566,000</b>	<b>-</b>	<b>52,566,000</b>	<b>21,131,962</b>	<b>31,434,038</b>	<b>40%</b>
<b>OTHER INCOME</b>						
<i>School canteen</i>				553,756		
<b>GRAND TOTAL INCOME</b>	<b>92,283,000</b>	<b>-</b>	<b>92,283,000</b>	<b>32,038,752</b>	<b>58,950,806</b>	<b>35%</b>
<i>(1) Expenditure For Tuition</i>						
Textbooks And Reference Materials						

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

Receipt/Expenses Item	Original Budget A Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials	17,030,000	-	17,030,000	1,635,020	15,394,980	10%
Chalks						
Exams And Assessment						
Teachers Guides						
Administration Costs						
<b>Sub total</b>	<b>17,030,000</b>	<b>-</b>	<b>17,030,000</b>	<b>1,635,020</b>	<b>15,394,980</b>	<b>10%</b>
<i>(2) Expenditure For Operations</i>						
Personnel emoluments	7,481,000	-	7,481,000	2,821,908	4,659,092	38%
Repairs and maintenance	2,452,000	-	2,452,000	1,092,900	1,359,100	45%
NANOTA				422,000	(422,000)	0%
Nssf				308,055	(308,055)	0%
Payee				20,579	(20,579)	0%
Bank Charges				1,080	(1,080)	0%
NHIF				80,450	(80,450)	0%
Creditors paid				1,552,000	(1,552,000)	0%
ELJMU				304,500	(304,500)	0%
Local transport / travelling	2,383,000	-	2,383,000	51,500	2,331,500	2%
Electricity and water	4,096,000	-	4,096,000	972,970	3,123,030	24%

**NAMBALE BOYS HIGH SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

Receipt/Expenses Item	Original Budget A Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Medical	2,599,000	-	2,599,000	351,676	2,247,324	14%
Administration costs	2,043,000	-	2,043,000	982,574	1,060,426	48%
Activity	1,633,000	-	1,633,000	-	1,633,000	0%
<b>Sub total</b>	<b>22,687,000</b>	<b>-</b>	<b>22,687,000</b>	<b>8,962,192</b>	<b>13,724,808</b>	<b>40%</b>
<b>(3) Expenditure For School</b>						
<i>Fund</i>						
Personnel emoluments	4,030,000	-	4,030,000	821,621	3,208,379	20%
Repairs and maintenance	3,120,000	-	3,120,000	1,030,780	2,089,220	33%
Local transport / travelling	845,000	-	845,000	1,107,790	(262,790)	131%
Electricity and water	6,370,000	-	6,370,000	669,690	5,700,310	11%
PAYEE				4,627		
ELIMU SACCO				131,675		
Creditors paid				1,251,935		
Refund				47,283		
NANOTA				252,000		
NSSF				117,516		
NHIF				50,200		
Advance				36,000		
Bank charges				29,035		
School canteen				480,000		
Administration costs	2,405,000	-	2,405,000	923,600	1,481,400	38%
Activity	195,000	-	195,000	8,000	187,000	4%



NAMBALE BOYS HIGH SCHOOL  
Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	A Kshs	b Kshs	c=a+b	D	e=c-d Kshs	f=d/c % Kshs
Motor vehicle expenses	735,400	-	735,400	840,191	(104,791)	114%
Fee on Boarding Equipment and Stores	35,601,000	-	35,601,000	10,465,851	25,135,149	29%
<b>Sub total</b>	<b>53,301,400</b>	<b>-</b>	<b>53,301,400</b>	<b>18,267,794</b>	<b>37,433,877</b>	<b>34%</b>
<b>GRANT TOTAL EXPENDITURE</b>	<b>93,018,400</b>	<b>-</b>	<b>93,018,400</b>	<b>28,865,006</b>	<b>66,553,665</b>	<b>31%</b>

- i. Under income there was underfunding in most vote heads.
- ii. Under expenditure there was underutilization in most vote heads.

**IX.**

NB The difference between the actual expenditure and income is as a result of changing financial year from January to December since IPSAS was introduced late in October and the budget had already been approved.

**X. Significant Accounting Policies**

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

**1. Statement of compliance and basis of preparation**

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

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

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

**2. Recognition of receipts and payments**

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

**3. In-kind contributions**

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

**4. Cash and cash equivalents**

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

**Significant Accounting Policies (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

**XI. Notes to the Financial Statements**

**1 Capitation Grant for Tuition**

Description	2020-2021
	Kshs
Textbooks And Reference Materials	-
Exercise Books	-
Laboratory Equipment	-
Internal Exams	-
Teaching / Learning Materials	1,424,418
Chalks	-
Exams And Assessment	-
Teachers Guides	-
<b>Total</b>	<b>1,424,418</b>

**2 Capitation Grant for Operations**

Description	2020-2021
	Kshs
Personnel emoluments	2,028,487
Maintenance and Improvement	4,097,750
Local transport / travelling	576,399
Electricity and water	1,279,659
Medical	-
Administration costs	946,321
Activity	-
<b>Total</b>	<b>8,928,616</b>

**3 Parents Contribution/Fees - School Fund Account**

Description	2020-2021
	Kshs
Personnel emoluments	1,433,805
Fee on Boarding Equipment and Stores	11,087,792
Maintenance and Improvement	1,235,552
Local transport / travelling	310,686
Electricity and water	1,923,372
Fees arrears recovered	3,789,136
Administration costs	1,229,285
Activity	122,334

Description	2020-2021
	Kshs
<b>Total</b>	<b>21,131,962</b>

**4 Other Receipts – School Fund Account**

Description	2020-2021
	Kshs
Fee On Boarding Equipment and Stores	-
School canteen	553,756
Income From Farming Activities	-
Insurance Compensation	-
Income From Posho Mill	-
Income From Bus Hire	-
Fee For Hire of Ground and Equipment	-
Income From Grants and Donations*	-
Interest Income	-
Dividends Income	-
<b>Total</b>	<b>553,756</b>

**5 Payments for Tuition**

Description	2020-2021
	Kshs
Textbooks And Reference Materials	-
Exercise Books	-
Laboratory Equipment	-
Internal Exams	-
Teaching / Learning Materials	1,635,020
Stationery	-
Exams And Assessment	-
Teachers Guides	-
Administration Costs	-
Bank Charges	-
<b>Total</b>	<b>1,635,020</b>

Notes to the Financial Statements (Continued)

6 Payments for Operations

Description	2020-2021
	Kshs
Personnel emoluments	2,821,908
Payee	20,579
Administration Cost	982,574
Maintenance and Improvement	1,092,900
Local transport / travelling	51,500
Electricity and water	972,970
NANOTA	422,000
Nssf	308,055
Medical & Insurance Cost	351,676
Bank Charges	1,080
NHIF	80,450
Creditors paid	1,552,000
ELIMU	304,500
<b>TOTAL</b>	<b>8,962,192</b>

7 Boarding and School Fund Payments

Description	2020-2021
	Kshs
Personnel emoluments	821,621
Maintenance & Improvements	1,030,780
Local transport / travelling	1,107,790
Electricity and water	669,690
Administration costs	923,600
Fee on Boarding Equipment and Stores	10,465,851
PAYEE	4,627
ELIMU SACCO	131,675
Creditors paid	1,251,935
Refund	47,283
NANOTA	252,000
NSSF	117,516
NHIF	50,200
Advance	36,000
School canteen	480,000

*NAMBALE BOYS HIGH SCHOOL*

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

Activity Expenses	8,000
Bank charges	29,036
Motor vehicle expenses	840,191
<b>TOTAL</b>	<b>18,267,794</b>

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		25,022	36,293
Operations Account		1,874,146	283,267
School Fund Account/Boarding		1,449,175	1,287,268
School canteen Account		99,674	25,918
Parent Association Development Account		-	-
Income Generating Activities Account		-	-
Infrastructural Account		1,358,684	-
<b>Total</b>		<b>4,806,701</b>	<b>1,632,745</b>

9 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	1,807	3,126
School Fund account	9,539	8,430
<b>Total</b>	<b>11,346</b>	<b>11,556</b>

10 Short Term Investments

Description	2020-2021
	Kshs
Cooperative Shares	-
Treasury Bills	-
Fixed Deposit	-
Equity Stock	-
Other Investments	-
<b>Total</b>	<b>-</b>



Notes to the Financial Statements (Continued)

11 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	39,351,339	35,828,827
NHIF	-	-
NHIF	-	-
N.S.S.F	-	-
<b>Total</b>	<b>39,351,339</b>	<b>35,828,827</b>

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears For Current Year	4,336,681	-
Fees Arrears For The Previous Year	6,497,337	7,311,506
Fees Arrears For Prior Periods (Over Two Years)	28,517,321	28,517,321
<b>Total</b>	<b>39,351,339</b>	<b>35,828,827</b>

12 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,334,721	4,215,231
Prepaid fees	1,403,022	-
NSSF	-	-
SACCO	-	-
<b>Total</b>	<b>7,737,743</b>	<b>4,215,231</b>

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors for Current Year	6,334,721	-
Trade Creditors for The Previous Year	-	4,215,231
Trade Creditors for Prior Periods (Over Two Years)	-	-
<b>Total</b>	<b>6,334,721</b>	<b>4,215,231</b>

**13 Fund Balance Brought Forward**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	1,632,745	1,632,745
Cash Balances	11,556	11,556
Short Term Investments	-	-
Receivables	35,828,827	35,828,827
Payables	(4,215,231)	(4,215,231)
<b>Total</b>	<b>33,257,897</b>	<b>33,257,897</b>

**14 Non-current Liabilities Summary**

Description	2020-2021
	Kshs
Bank Loan(S)	-
Outstanding Leases	-
Hire Purchase	-
Gratuity And Leave Provision	-
<b>Total</b>	<b>-</b>

**15 Biological assets**

Description	Numbers	2020-2021
		Kshs
Cattle		
Goats		
Trees	150	150,000
Coffee Or Tea Plantation		
Poultry		
<b>Total</b>	<b>150</b>	<b>150,000</b>

**16 Borrowings**

Description	2020-2021
	Kshs
<b>a) Borrowings</b>	
Borrowing at beginning of the year	-
Borrowings during the year	-

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Repayments of during the year	-
<b>Balance at end of the year</b>	<b>-</b>

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**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>
	<b>Kshs</b>
<b>b) Inventory</b>	
Stock/ inventory at beginning of the year	-
Stock/ inventory purchased during the year	17,596,152
Stock/ inventory issued during the year	15,436,156
<b>Balance at end of the year</b>	<b>2,159,996</b>

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**18 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.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

  
 Sign and Date  
 Principal

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**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		
	K shs	K shs	K shs	K shs	K shs	
<b>Construction Of Buildings</b>						
1. N/A						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4. THOMAS MBOYA MAKOKHA	62550	N/A	0	62550	62550	
5. PAMELA GENERAL STORE	137000	N/A	0	137000	137000	
6. ZAINAB OBANDA	41000	N/A	0	41000	41000	
7. CAROLININE KAFWA	192000	N/A	0	192000	192000	
8. ROSEMARY WAFULA	247570	N/A	0	247570	247570	
9. KISUMU LAKE MOTORS GAURAGE	193200	N/A	0	193200	193200	
10. JUSTINE SYEUNDA	50000	N/A	0	50000	50000	
11. CAROLYNE NANJALA	158300	N/A	0	158300	158300	
12. LEONARD OPILI	205200	N/A	0	205200	205200	
13. GLADYS AKINYI WANJALA	170000	N/A	0	170000	170000	
14. JANET RUTH NABWIRE	87100	N/A	0	87100	87100	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
15. BRAHAME ENTERPRISES	405000	N/A	0	405000	405000	
16. KISHIB GENERAL SUPPLIERS	100000	N/A	0	100000	100000	
17. PETER ODUNDO BARASA	33000	N/A	0	33000	33000	
18. LINET OGOLA AUMA	37000	N/A	0	37000	37000	
19. AGGREY AMWOGA	255000	N/A	0	255000	255000	
20. MARGARET SANDAY	60000	N/A	0	60000	60000	
21. NAFFS TECHNOLOGIES	107500	N/A	0	107500	107500	
22. EVELYNE NAKHABI	17400	N/A	0	17400	17400	
23. KISUMU EQUIPMENT'S SUPPLIES	588279	N/A	0	588279	588279	
24. DAJOHN ENTERPRISES	161560	N/A	0	161560	161560	
25. MASTERECH COMPUTER AND STIONERIES	172150	N/A	0	172150	172150	
26. CHIPA EDUCATION PROMOTERS	58000	N/A	0	58000	58000	
27. HUMPHREY RAUKE OMORO	128400	N/A	0	128400	128400	
28. JAVANTEX ENTERPRISES	998840	N/A	0	998840	998840	
29. SHARIC ENTERPRISES SOLUTIONS	30000	N/A	0	30000	30000	
30. TRIPLE LINE ELECTRICALS	107970	N/A	0	107970	107970	
31. JAO RAPHAMEDICAL LAB	380300	N/A	0	380300	380300	
32. DINUBAR MUSIC AIR	204000	N/A	0	204000	204000	
33. CYBERCAPE DEVELOPMENT OF KENYA	47500	N/A	0	47500	47500	
34. JAMES OKWERO	81872	N/A	0	81872	81872	
35. KISUMU JUNO ENTERPRISES	15530	N/A	0	15530	15530	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To- Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
36. ASHBA TECHNOLOGIES	175000	N/A	0	175000	175000	
37. DEITUS ENGINEERING WORKS	277000	N/A	0	277000	277000	
38. RUAB AGENIES	169500	N/A	0	169500	169500	
39. LEMINA INVESTMENTS	180000	N/A	0	180000	180000	
<b>Supply Of Services</b>						
40. N/A						
41.						
42.						
<b>Sub-Total</b>	<b>6,334,721</b>	<b>N/A</b>	<b>0</b>	<b>6,334,721</b>	<b>6,334,721</b>	
<b>Grand Total</b>	<b>6,334,721</b>	<b>N/A</b>	<b>0</b>	<b>6,334,721</b>	<b>6,334,721</b>	



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

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> Jan 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land 1	1979-2021	NAMBALE	16,610,000	0	0	16,610,000
Land 2	N/A					
Buildings And Structures	1979-2021	NAMBALE	158,890,000	0	0	158,890,000
Motor Vehicles	2014	NAMBALE	6,345,000	0	0	6,345,000
Office Equipment, Furniture And Fittings	1990-2021	NAMBALE	5,000,000	0	0	5,000,000
ICT Equipment, And Other ICT Assets	2000-2021	NAMBALE	4,000,000	0	0	4,000,000
Tools And Apparatus	1990-2021	NAMBALE	6,000,000	0	0	6,000,000
Textbooks	1990-2021	NAMBALE	17,000,000	0	0	17,000,000
Generator	2018	NAMBALE	843,000	0	0	843,000
Grinding mill	2019	NAMBALE	157,000	0	0	157,000
Intangible Assets- Soft Ware				0	0	
<b>Total</b>	1979-2021	NAMBALE	198,235,000	0	0	198,235,000