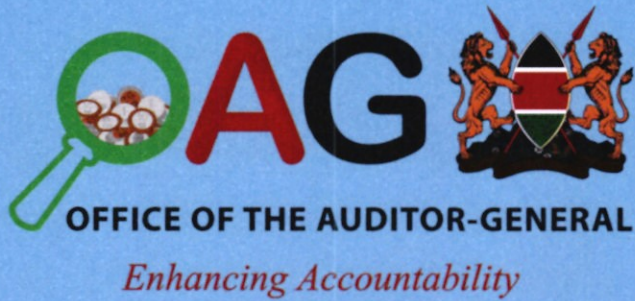



REPUBLIC OF KENYA



**REPORT**

|   |  |
|---|--|
| <br>NATIONAL ASSEMBLY<br>PAPERS LAID |  |
| DATE: 21 FEB 2024   | DAY:<br>WED  |
| TABLED<br>OF<br>CLERK-AT<br>THE-TABLE:  | Hon Naomi Wago, MP<br>Deputy Majority party Whip<br>Finlay S |

**THE AUDITOR-GENERAL**

**ON**

**NGAMI SECONDARY SCHOOL**

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

**TAITA/TAVETA COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
25 JUL 2023  
**RECEIVED**



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**NGAMI SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

---

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

**NGAMI SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report 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 Taita Taveta County, Mwatate Sub-County

The school was registered in 10/2009 under registration number GP/A/7552/09 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day/boarding school and had 451 number of students as at 30<sup>th</sup> June 2021. It has two streams and 21 teachers of which 5 teachers are employed by the School Board of Management.

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

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

| Ref: | Name of Board Member   | Designation           | Date of appointment |
|------|------------------------|-----------------------|---------------------|
| 1    | Mr. Dennis Mwanyalo    | Chairman              | 09/08/2019          |
| 2    | Md. Florence Lenjo     | Secretary - Principal | 09/08/2019          |
| 3    | Md. Njoki Macharia     | Member                | 09/08/2019          |
| 4    | Dr. Charles Mwandawiro | Member                | 09/08/2019          |
| 5    | Md. Francisca Righa    | Member                | 09/08/2019          |
| 6    | Md. Rachel Mwaboli     | Member                | 09/08/2019          |
| 7    | Mr. Narcis Mwakio      | Member                | 09/08/2019          |
| 8    | Mr. Nicanori Kirigha   | Member – Rep CEB      | 09/08/2019          |
| 9    | Mr. Onesmus Musyoka    | Member Rep Teachers   | 09/08/2019          |
| 10   | Fr. Regnald Mwanyasi   | Member - Sponsor      | 09/08/2019          |
| 11   | Md. Mary Kilei         | Member - Community    | 09/08/2019          |
| 12   | Md. Locardy Mwambingu  | MemberSpecial Needs   | 09/08/2019          |
| 13   | Consolata Lumbasio     | Rep Students          | 09/08/2019          |

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

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

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

**(c) Committees of the Board**

| Ref: | Name of Committee                                   | Names of Members  | Designation  | Number of meetings attended during the year |
|------|---|---|--|---|
| 1    | Executive Committee                                 | 1. Md. Florence Lenjo<br>2. Mr. Dennis Mwanyalo<br>3. Mr. Stephen Ochieng<br>4. Fr. Mwanyasi<br>5. Md. Njoki Macharia<br>6. Mr. Reuben Wamarute<br>7. Narcis Mwakio                 | Secretary/Principal<br>BOM Chairperson<br>P.A Chairperson<br>Sponsor<br>Vice BOM Chairperson<br>Deputy Principal<br>Member | 1   |
| 2    | Audit Committee                                     | 1. Mr. Nicanor Kirigha<br>2. Md. Florence Lenjo<br>3. Mr. Dennis Mwanyalo<br>4. Mr. Stephen Ochieng<br>5. Md. Rachael Mwaboli<br>6. Md. Pamela Mwawaza<br>7. Md. Lorcadia Mwambingu | Chairperson<br>Secretary/Principal<br>BOM Chairperson<br>Member<br>Member<br>Member<br>Member                              | 1   |
| 3    | Finance, procurement and general purposes Committee | 1. Mr. Nicanor Kirigha<br>2. Md. Florence Lenjo<br>3. Mr. Dennis Mwanyalo<br>4. Mr. Stephen Ochieng<br>5. Md. Rachael Mwaboli<br>6. Md. Pamela Mwawaza<br>7. Md. Lorcadia Mwambingu | Chairperson<br>Secretary/Principal<br>BOM Chairperson<br>Member<br>Member<br>Member<br>Member                              | 1   |

**NGAMI SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

|   |                                     |  |  |   |
|---|-------------------------------------|--|--|---|
| 4 | Academic Committee                  | 1. Mr. Musyoka Onesmus<br>2. Md. Florence Lenjo<br>3. Fr. Mwanyasi<br>4. Mr. Stephen Ochieng<br>5. Dr. Mwandawiro Charles<br>6. Mr. Narcis Mwakio<br>7. Md. Francisca Righa<br>8. Mrs. Irine Mwaiseghe | Chairperson<br>Secretary/Principal<br>Sponsor<br>P.A Chairperson<br>Member<br>Member<br>Member<br>Member | 1 |
| 5 | Development Committee               | 1. Dr. Mwandawiro Charles<br>2. Md. Florence Lenjo<br>3. Mr. Reuben Wamarite<br>4. Mr. Dennis Mwanyalo<br>5. Mr. Stephen Ochieng   | Chairperson<br>Secretary/Principal<br>Deputy Principal<br>BOM Chairperson<br>Member                      | 1 |
| 6 | Discipline and welfare Committee    | 1. Mr. Bartholomew Kililo<br>2. Mr. Onesmus Musyoka<br>3. Md. Shallene Mukasa<br>4. Mrs. Florence Lenjo<br>5. Ms. Jackline Mwalawa   | Chairperson<br>Member<br>Member<br>Member<br>Member  | 4 |
| 7 | Adhoc Committee –<br>Tender opening | 1. Mr. Kennedy Sitati<br>2. Md. Sembua Pauline<br>3. Md. Esther Mwombe   | Chairperson<br>Secretary<br>Member   | 1 |

**(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             | Md. Florence Lenjo  | 253010     |
| 2    | Deputy Principal      | Mr. Reuben Wamarite | 275780     |
| 3    | School Accounts Clerk | Mr. Jonathan Msagha | -          |
|      |                       |                     |            |

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

**(e) Schools contacts**

Post Office Box: 53 - 80311  
Telephone: 0710281942  
E-mail: [ngamisecschool@gmail.com](mailto:ngamisecschool@gmail.com)  
  
Website: [www.ngamisecondary.sc.ke](http://www.ngamisecondary.sc.ke)  
Facebook: Ngami secondary  
Twitter: -

**(f) School Bankers**

The following school operated 9 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1103834460
2. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1103836846
3. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1103837036
4. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1219542180
5. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1102728993
6. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1102644471
7. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1136016287
8. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1136016074

**NGAMI SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
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9. Name of Bank: KCB  
Branch: Wundanyi  
Account Number: 1124902422

10. MPESA Pay Bill No. 522123 attached to KCB bank account no.1103834460

**(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

| ACCOUNTS      | YEAR 2020 (Kshs) | YEAR 2019(Kshs) | YEAR 2018 (Kshs) |
|---------------|------------------|-----------------|------------------|
| SCHOOL FUND   | +2,566,443       | +357,551        | -2,194,624       |
| OPERATION A/C | -40,695          | -20,256         | -79,798          |
| TUITION A/C   | -110,529         | -709,058        | +567,983         |

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

| YEAR | OPERATION A/C<br>(Kshs) | TUITION A/C<br>(Kshs) | TOTAL<br>AMOUNTS(KSH) |
|------|-------------------------|-----------------------|-----------------------|
| 2020 | 5,015,200               | 888,106               | 7,627,934             |
| 2019 | 6,868,641               | 1,452,502             | 8,321,143             |
| 2018 | 5,364,826               | 2,263,108             | 7,627,934             |

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

| YEAR                | 2020 (Kshs) | 2019 (Kshs) | 2018 (Kshs) |
|---------------------|-------------|-------------|-------------|
| CAPITATION<br>RATIO | 1:17,527.76 | 1:18,699.18 | 1:17,822.27 |

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

| YEAR                | 2020 (Kshs) | 2019 (Kshs) | 2018 (Kshs) |
|---------------------|-------------|-------------|-------------|
| GROWTH OF<br>INCOME | 20,514,973  | 13,194,231  | 11,897,262  |

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

| YEAR | 2020 (Kshs) | 2019 (Kshs) | 2018 (Kshs) |
|------|-------------|-------------|-------------|
|------|-------------|-------------|-------------|

**NGAMI SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

|                       |            |            |            |
|-----------------------|------------|------------|------------|
| GROWTH IN EXPENDITURE | 21,637,872 | 12,836,594 | 14,094,526 |
|-----------------------|------------|------------|------------|

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

| YEAR                | 2020 (Kshs) | 2019 (Kshs) | 2018 (Kshs) |
|---------------------|-------------|-------------|-------------|
| GROWTH OF DEBTORS   | 1,702,934   | 873,021     | 564,445     |
| GROWTH OF CREDITORS | 1,103,131   | 1,589,335   | 2,105,964   |

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

| YEAR | 2020 (Kshs) | 2019 (Kshs) | 2018 (Kshs) |
|------|-------------|-------------|-------------|
| -    | 1,315,680   | 146,433     | 945,260     |

b) **Teacher Student ratio:**

| Number of Teachers Recruited and Posted | Number of Teachers Transferred | Number of Teachers Retired | Number of Teachers Employed by TSC | No. of Teachers Employed by BOM |
|---|--------------------------------|----------------------------|------------------------------------|---------------------------------|
| 1                                       | 1                              | 0                          | 16                                 | 5                               |

M

|                  |   |                                  |
|------------------|---|----------------------------------|
| Mathematics      | - | 5 TSC Teachers + 2 BOM Teachers  |
| Biology          | - | 4 TSC Teachers + 2 BOM Teachers  |
| Chemistry        | - | 3 TSC Teachers                   |
| Physics          | - | 2 TSC Teachers                   |
| Kiswahili        | - | 2 TSC Teachers + 1 BOM Teachers  |
| English          | - | 2 TSC Teachers + 2 BOM Teachers  |
| History          | - | 1 Intern Teacher + 1 BOM Teacher |
| Business studies | - | 3 TSC Teachers                   |
| Agriculture      | - | 2 TSC Teachers                   |
| CRE              | - | 1 TSC Teacher + 1 Intern Teacher |
| Geography        | - | 6 TSC Teachers                   |

c) **Mean score in the 2020 KCSE:**

| YEAR | MEAN SCORE |
|------|------------|
| 2018 | 3.374      |
| 2019 | 3.356      |

**NGAMI SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

|      |       |
|------|-------|
| 2020 | 3,539 |
|------|-------|

**d) Number of Candidates in the 2020 KCSE:**

| YEAR | NO. OF STUDENTS |
|------|-----------------|
| 2018 | 91              |
| 2019 | 90              |
| 2020 | 103             |

**e) Capacity of the school:**

|                          |    |   |
|--------------------------|----|---|
| Total Number of Students | -- | 451                                     |
| Number of Dormitories    | -  | 2(1 for Boys & 1 for Girls)             |
| Number of Dining Hall    | -  | 0                                       |
| Number of Laboratories   | -  | 2                                       |
| Number of Toilets        | -  | 3 for Staffs 12 for Boys & 13 for Girls |
| Number of Workshops      | -  | 0                                       |
| Number of Libraries      | -  | 0                                       |

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

The school did not carry out any development projects during the year under review.

Sign: \_\_\_\_\_



CHIEF PRINCIPAL  
NGAMI SECONDARY SCHOOL  
P.O. BOX 73 - 20111  
MUMBAI, KENYA  
Date: \_\_\_\_\_  
Sign: \_\_\_\_\_

School Principal: Severini Tole

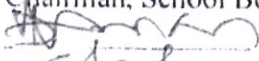
### III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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.

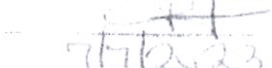
The Board of Management of Ngami Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: Dennis Mwanyalo  
Designation: Chairman, School Board of Management  
Sign:   
Date: 8/7/2023

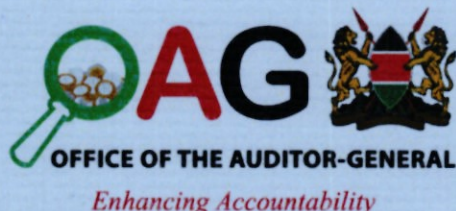
Name: Severini Tole  
Designation: School Principal & Secretary to Board of Management  
Sign:   
Date: 8-7-2023

CHIEF PRINCIPAL  
NGAMI SECONDARY SCHOOL  
P. O. BOX 55 - 30511  
NGAMBWA TAJIA  
Date: .....  
Sign: .....

Name: Jonathan Msagha  
Designation: Bursar/ Finance Officer  
Sign:   
Date: 7/7/23

# 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 NGAMI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – TAITA/TAVETA COUNTY**

---

### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 the Ngami Secondary School – Taita/Taveta County set out on pages 12 to 26, which comprise of the statement of receipts and payment for the period ending 30 June, 2021, and the statement of financial assets and financial liabilities, statement of cash flows, 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 Ngami Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (cash Basis) and comply with Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

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

Review of the financial statements revealed the following inaccuracies: -

- i. The school fund income – parents' contributions amount of Kshs.7,365,128 which was at variance with the supporting schedules amount of Kshs.6,426,088 resulting in an unexplained difference of Kshs.939,040;
- ii. The school prepared its statement of cash flows using the direct method. However, some balances did not correspond with the statement of receipts and payments for the same period as indicated below: -

| <b>Item</b>                                | <b>Financial Year</b> | <b>Statement of Cash Flows Kshs.</b> | <b>Statement of Receipts and Payments Kshs.</b> | <b>Variance Kshs.</b> |
|--|-----------------------|--------------------------------------|---|-----------------------|
| Capitation Grants for Operations           | 2020-2021             | 2,279,722                            | 2,239,722                                       | 40,000                |
| School Fund Income - Parents' Contribution | 2020-2021             | 6,922,458                            | 7,365,128                                       | (442,670)             |
| Payments for Tuition                       | 2020-2021             | 415,746                              | 343,096   | 72,650                |
| Payments for Operations                    | 2020-2021             | 1,808,855                            | 1,752,965                                       | 55,890                |
| Boarding and School Fund Payments          | 2020-2021             | 6,419,300                            | 5,558,573                                       | 860,727               |

Management did not provide reconciliations of the variances.

- iii. The school did not provide a trial balance to support the balances in the financial statements;
- iv. Management did not provide supporting schedules for balances of Kshs.5,558,573, Kshs.5,837,628 and Kshs.322,045 in respect of boarding and school fund payments, account receivables and account payables respectively.

- v. Review of the School's records revealed that the school maintained an account with a local bank with a balance of Kshs.727 as at 30 June, 2021. However, the balance of Kshs.727 was not disclosed in the financial statements;
- vi. The school did not maintain cashbooks in respect of the following five (5) bank account: -

| Name of Account                         | Amount (Kshs.) |
|---|----------------|
| Savings Account                         | 4,222          |
| Parents Association Development Account | 1,089,598      |
| Savings Account                         | 5,082          |
| Savings Account                         | 3,410          |
| ESP                                     | 727            |

Further, it was noted that four (4) of the five (5) bank accounts have remained dormant for more than three (3) years;

In the circumstances, the accuracy of the balances disclosed in the financial statements for the year ended 30 June, 2023 could not be confirmed.

## 2. Inaccurate Disclosure of Capitation Grants

The statement of receipts and payments reflects total capitations grants amount of Kshs.4,567,600 for both tuition and operations as disclosed Note 1 and Note 2 to the financial statements. Review of the National Education Management Information System (NEMIS) capitation disbursements made to the school against the amount received by the school revealed the following variances as detailed below: -

| Period               | NEMIS Amount (Kshs.) | School Receipt /Financial Statements (Kshs.) | Variance (Kshs.) |
|----------------------|----------------------|--|------------------|
| April 2021 Operation | 1,291,752            | 645,876                                      | 645,876          |
| April 2021 Tuition   | 328,713              | 164,703                                      | 164,010          |

In the circumstances, the accuracy and completeness of the capitation grants balance of for the year ended 30 June, 2021 could not be confirmed.

## 3. Lack of Land Ownership Document

Review of the School's documents revealed that the school sits on a fifteen (15) acre parcel of land of undetermined value which was donated by the Catholic church. However, the School is yet to acquire the title deed. In addition, the School has partially fenced the parcel the parcel of which makes it prone to unlawful encroachment.

In the circumstances, the valuation and ownership of the parcel of land on which the school is constructed could not be confirmed.

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

### **Key Audit Matters**

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

### **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**

#### **Unaccounted for Funds Transferred to Kenya Secondary Schools Heads Association (KESSHA)**

The School transferred co-curricular funds totaling Kshs.233,200 to Kenya Secondary School Heads Association (KESSHA), a private entity that is not subject to the Public Finance Management Act, 2012, without authority or law governing such payments. KESSHA is a welfare organization that draws its membership from School Principals.

In the circumstances, the propriety and regularity of the expenditure totalling Kshs.233,200 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.



## **Basis for Conclusion**

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 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 governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 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 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

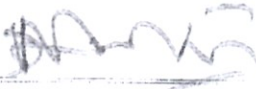
12 October, 2023

NGAMI SECONDARY SCHOOL  
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021

| DESCRIPTION OF VOTE HEAD                   | Note | 2020 - 2021       | 2019 - 2020 |
|--|------|-------------------|-------------|
|  |      |                   | Kshs        |
| <b>RECEIPTS</b>                            |      |                   |             |
| Capitation grants for tuition              | 1    | 600,378           | -           |
| Capitation grants for operations           | 2    | 2,239,722         | -           |
| School Fund Income- Parents' Contributions | 3    | 7,365,128         | -           |
| Infrastructure- SIC Funds                  | 4    | 1,727,500         | -           |
| <b>TOTAL RECEIPTS</b>                      |      | <b>11,932,727</b> | -           |
| <b>PAYMENTS</b>                            |      |                   |             |
| Payments for Tuition                       | 5    | 343,096           | -           |
| Payments for operations                    | 6    | 1,752,965         | -           |
| Boarding and school fund payments          | 7    | 5,558,573         | -           |
| Infrastructure- SIC Payments               | 8    | 447,784           | -           |
| <b>TOTAL PAYMENTS</b>                      |      | <b>8,102,418</b>  | -           |
| <b>SURPLUS/DEFICIT</b>                     |      | <b>3,830,309</b>  | -           |


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

Sign: 

Name: Dennis Mwanyalo

Chair BOM

Date 8/7/2023

Sign: 

Name: Severini Tole

School Principal/  
Secretary to BOM

Date 8/7/2023

CHIEF PRINCIPAL  
NGAMI SECONDARY SCHOOL  
P.O. BOX 52 - 80311  
NGAMBWA TANTA  
Sign: \_\_\_\_\_

Sign: 

Name: Jonathan Msagha

Bursar/  
Finance Officer

Date 7/7/2023


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

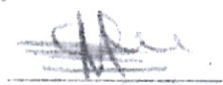
|  | Note | 2020 -<br>2021   | 2019 - 2020      |
|--|------|------------------|------------------|
|  |      | Kshs             | Kshs             |
| <b>FINANCIAL ASSETS</b>                    |      |                  |                  |
| <b>Cash and Cash Equivalents</b>           |      |                  |                  |
| Bank Balances                              | 8    | 3,714,353        | 1,315,206        |
| Cash Balances                              | 9    | 39,698           | 473              |
| <b>Total Cash and Cash<br/>Equivalents</b> |      | <b>3,754,051</b> | <b>1,315,679</b> |
| Account's receivables                      | 11   | 5,971,628        | 5,541,921        |
| <b>TOTAL FINANCIAL ASSETS</b>              |      | <b>9,725,679</b> | <b>6,857,600</b> |
| <b>FINANCIAL LIABILITIES</b>               |      |                  |                  |
| Accounts Payable                           | 12   | 322,405          | 1,284,635        |
| <b>NET FINANCIAL SSETS</b>                 |      | <b>9,403,274</b> | <b>5,572,965</b> |
| <b>REPRESENTED BY:</b>                     |      |                  |                  |
| Fund balance b/fwd 1st July...             | 13   | 5,572,965        | 5,572,965        |
| Surplus/Defict for the year                | R &P | 3,830,309        | -                |
| <b>NET FINANCIAL POSITION</b>              |      | <b>9,403,274</b> | <b>5,572,965</b> |

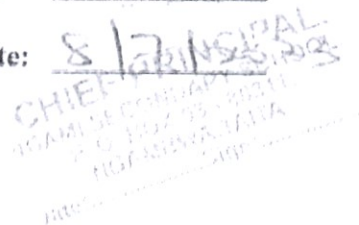
The School's financial statements were approved on 30<sup>th</sup> June 2021 and signed by:

Name: Dennis Mwanyalo  
Chairman, BoM

Sign:   
Date: 8/7/2021

Name: Severini Tole  
School Principal/Secretary  
to BoM

Sign:   
Date: 8/7/2021



Name: Jonathan Msagha  
Bursar/Finance

Sign:   
Date: 9/7/2021

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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

|   | 2020 - 2021       | 2019 - 2020      |
|---|-------------------|------------------|
|   | Kshs              | Kshs             |
| <b>Receipts from operating activities</b>   |                   |                  |
| Capitation grants for tuition   | 600,378           | -                |
| Capitation grants for operations  | 2,279,722         | -                |
| School fund income- Parents contributions/ fees   | 6,922,458         | -                |
| Infrastructure-SIC Fund   | 1,727,500         | -                |
| <b>Total receipts</b>   | <b>11,530,057</b> | -                |
| <b>Payments</b>   |                   |                  |
| Payments for Tuition  | 415,746           | -                |
| Payments for operations   | 1,808,855         | -                |
| Boarding and school fund payments   | 6,419,300         | -                |
| Infrastructure- SIC payments  | 447,784           | -                |
|   | <b>9,091,685</b>  | -                |
| <b>Net cash flow from operating activities</b>  | <b>2,438,372</b>  | -                |
|   |                   |                  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>   | <b>2,438,372</b>  |                  |
|   |                   |                  |
| <b>Cash and cash equivalent at BEGINNING of the year<br/>(Note 8 &amp; 9 previous year)</b> | <b>1,315,679</b>  |                  |
| <b>Cash and cash equivalent at END of the year (Note 8 &amp; 9<br/>current year)</b>        | <b>3,754,051</b>  | <b>1,315,679</b> |

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

| Receipt/Expense Item                      | Original Budget     | Adjustments     | Final Budget        | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation       |
|---|---------------------|-----------------|---------------------|----------------------------|-------------------------------|------------------------|
|   | a                   | b               | c=a+b               | d                          | e=c-d                         | f=d/c %                |
| <b>RECEIPTS</b>                           |                     |                 |                     |                            |                               |                        |
| <i>(1) CAPITATION GRANT ON TUITION</i>    |                     |                 |                     |                            |                               |                        |
| Text books                                | 680,274             | 0               | 680,274             | -                          | 680,274                       | 0%                     |
| Exercise books                            | 398,775             | 0               | 398,775             |                            | 398,775                       | 0%                     |
| Laboratory equipments and apparatus       | 294,395             | 0               | 294,395             |                            | 294,395                       | 0%                     |
| Teaching/learning materials               | 54,000              | 0               | 54,000              | 600,378                    | (546,378)                     | 1112%                  |
| Chalks                                    | 20,500              | 0               | 20,500              |                            | 20,500                        | 0%                     |
| Internal exams                            | 646,500             | 0               | 646,500             |                            | 646,500                       | 0%                     |
| Reference books                           | -                   | 0               | 0                   | -                          | -                             | #DIV/0!                |
|   | 0                   |                 | 2,094,444           | 600,378                    | 1,494,066                     | 29%                    |
|   |                     |                 |                     |                            |                               |                        |
|   | Original budget (a) | Adjustments (b) | Final budget(c=a+b) | Actual (d)                 | Budget utilisation(e=c-d)     | % Utilisation (f=d/c%) |
| <i>(2) CAPITATION GRANT ON OPERATIONS</i> |                     |                 |                     |                            |                               |                        |
| Personnel emoluments                      |                     | 0               | 0                   |                            | -                             | #DIV/0!                |

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|                                      |                            |                        |                               |                   |                                  |                               |
|--------------------------------------|----------------------------|------------------------|-------------------------------|-------------------|----------------------------------|-------------------------------|
| Repairs and maintenance              | 2,706,000                  | 0                      | 2,706,000                     | 1,727,500         | 978,500                          | 176.5%                        |
| OTHER VOTEHEADS                      | 3,562,900                  |                        | 3,562,900                     | 2,239,722         | 1,323,178                        | 169%                          |
| Local transport / travelling         |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Electricity and water                |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Medical and insurance                | 902,000                    | 0                      | 902,000                       | -                 | 902,000                          | 0%                            |
| Administration costs                 |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Infrastructure account               |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Activity                             | 676,500                    | 0                      | 676,500                       | -                 | 676,500                          | 0%                            |
| interest income                      |                            | -                      |                               |                   | -                                | #DIV/0!                       |
|                                      |                            |                        |                               |                   | -                                |                               |
|                                      |                            |                        |                               |                   |                                  |                               |
| <b>(3) FEES CHARGED ON PARENTS</b>   | <b>Original Budget (a)</b> | <b>Adjustments (b)</b> | <b>Final Budgets (c= a+b)</b> | <b>Actual (d)</b> | <b>Budget utilisation(e=c-d)</b> | <b>% Utilisation (f=d/c%)</b> |
| Personnel emoluments                 |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Repairs and maintenance              | 488,000                    | 0                      | 488,000                       | 204,570           | 283,430                          | 42%                           |
| Local transport / travelling         |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Electricity and water                |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Medical                              |                            | 0                      | 0                             | -                 | -                                | #DIV/0!                       |
| Administration costs                 |                            | 0                      | 0                             |                   | -                                | #DIV/0!                       |
| Activity                             | 61,000                     | 0                      | 61,000                        | 26,295            | 34,705                           | 43%                           |
| SMASSE                               |                            |                        | 0                             | -                 | -                                | #DIV/0!                       |
| Fee on Boarding Equipment and Stores | 9,122,990                  | 0                      | 9,122,990                     | 4,053,136         | 5,069,854                        | 44%                           |
| OTHER VOTEHEADS                      | 3,147,600                  |                        | 3,147,600                     | 1,307,540         | 1,840,060                        | 42%                           |
| <b>OTHER INCOME</b>                  |                            |                        |                               |                   | -                                |                               |



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|  |                   |                |                |                     |                          |                     |
|--|-------------------|----------------|----------------|---------------------|--------------------------|---------------------|
| Rent income                            | 36,000            |                | 36,000         | 20,000              | 16,000                   | 125%                |
| <b>TOTAL INCOME</b>                    |                   |                |                |                     |                          |                     |
|  |                   |                |                |                     |                          |                     |
| <b>(1) EXPENDITURE FOR TUITION</b>     | Original budget a | adjustment (b) | final budget © | actual payments (d) | budget utilization e=c-d | %utilization f=d/c% |
| Text books                             | 680,274           | 0              | 680,274        |                     | 680,274                  | 0%                  |
| Exercise books                         | 398,775           | 0              | 398,775        | 24,000              | 374,775                  | 6%                  |
| Laboratory equipments and apparatus    | 294,395           | 0              | 294,395        | 62,370              | 232,025                  | 21%                 |
| Teaching/learning materials            | 54,000            | 0              | 54,000         | 9,000               | 45,000                   | 17%                 |
| Chalks                                 | 20,500            | 0              | 20,500         | -                   | 20,500                   | 0%                  |
| Internal exams                         | 646,500           | 0              | 646,500        | 238,350             | 408,150                  | 37%                 |
| Reference books                        | -                 | 0              | 0              | 6,786               | (6,786)                  | #DIV/0!             |
| Bank charges                           | -                 | 0              | 0              | 2,590               | (2,590)                  | #DIV/0!             |
| <b>PAYMENTS FOR OPERATIONS</b>         | Original budget a | adjustment (b) | final budget © | actual payments (d) | budget utilization e=c-d | %utilization f=d/c% |
| Personal Emoluments                    | 3,379,163         | 0              | 3,379,163      | 1,002,910           | 2,376,253                | 30                  |
| Service Gratuity                       | -                 | 0              | 0              | -                   | -                        | #DIV/0!             |
| Administration Cost                    | 949,586           | 0              | 949,586        | 368,120             | 581,466                  | 39%                 |
| Repairs and maintenance & improvements | 3,194,000         | 0              | 3,194,000      | 1,727,500           | 1,466,500                | 54%                 |
| Local transport / travelling           | 550,596           | 0              | 550,596        | 64,000              | 486,596                  | 12%                 |
| Electricity and water                  | 1,831,155         | 0              | 1,831,155      | 316,375             | 1,514,780                | 17%                 |
| Medical                                | 902,000           | 0              | 902,000        | -                   | 902,000                  | -                   |
| Activity Expenses                      | 676,500           | 0              | 676,500        | -                   | 676,500                  | -                   |

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| Bank Charges                             | -                          | 0                      | 0                           | 1,560                      | (1,560)                                      | #DIV/0!                       |
|--|----------------------------|------------------------|-----------------------------|----------------------------|--|-------------------------------|
| <b>BOARDING AND SCHOOL FUND PAYMENTS</b> | <b>Original Budget (a)</b> | <b>Adjustments (b)</b> | <b>Final Budget (c=a+b)</b> | <b>Actual payments (d)</b> | <b>Budget utilisation difference (e=c-d)</b> | <b>% utilisation (f=d/c%)</b> |
| Activity                                 | 61,000                     | 0                      | 61,000                      | -                          | 61,000                                       | -                             |
| Personnel emoluments                     | 3,379,163                  | 0                      | 3,379,163                   | 943,891                    | 2,435,272                                    | 28                            |
| Service Gratuity                         |                            | 0                      | 0                           |                            |  | #DIV/0!                       |
| Repairs and maintenance & Improvements   | 488,000                    | 0                      | 488,000                     | -                          | 488,000                                      | -                             |
| Local transport / travelling             | 550,596                    | 0                      | 550,596                     | 495,850                    | 54,746                                       | 90%                           |
| Electricity and water                    | 1,831,155                  | 0                      | 1,831,155                   | 629,607                    | 1,201,548                                    | 34%                           |
| Medical Expenses                         | -                          | 0                      | 0                           |                            |  | #DIV/0!                       |
| Administration costs                     | 949,586                    | 0                      | 949,586                     | 155,095                    | 794,491                                      | 16                            |
| school farm                              | -                          | 0                      | 0                           |                            |  | #DIV/0!                       |
| Bank Charges                             | -                          | 0                      | 0                           | -                          |  | #DIV/0!                       |
| Expenses on Income Generating Activities | -                          | 0                      | 0                           |                            |  | #DIV/0!                       |
| Fee on Boarding Equipment and Stores     | 9,122,990                  | 0                      | 9,122,990                   | 2,147,135                  | 6,975,855                                    | 24%                           |
| <b>TOTAL</b>                             | <b>29,959,934</b>          | <b>0</b>               | <b>29,959,934</b>           | <b>8,195,139</b>           | <b>21,764,795</b>                            | <b>27%</b>                    |

(29,959,934) 0 29,959,934 (8,195,139) -21,764,795

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## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

|              |  | 2020-2021      | 2019-2020 |
|--------------|--|----------------|-----------|
|              |  | Kshs           | Kshs      |
| Text books   |  | 600,378        | -         |
| <b>Total</b> |  | <b>600,378</b> |           |

**2 CAPITATION GRANT FOR OPERATIONS**

|                  |  | 2020-2021        | 2019-2020 |
|------------------|--|------------------|-----------|
|                  |  | Kshs             | Kshs      |
| Other vote heads |  | 2,239,722        | -         |
| <b>Total</b>     |  | <b>2,239,722</b> | -         |

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

|                              |  | 2020-2021        | 2019-2020 |
|------------------------------|--|------------------|-----------|
|                              |  | Kshs             | Kshs      |
| Boarding, Equipment & Stores |  | 5,709,138        |           |
| Other vote heads             |  | 1,304,960        |           |
| Bursary                      |  | 120,215          | -         |
| RMI                          |  | 204,570          |           |
| Activity                     |  | 26,245           |           |
| <b>Total</b>                 |  | <b>7,365,128</b> | -         |

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**NGAMI SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. INFRASTRUCTURE-SIC**

|                                |  | 2020-2021        | 2019-2020 |
|--------------------------------|--|------------------|-----------|
|                                |  | Kshs             | Kshs      |
| Infrastructure grants(M&I)-MOE |  | 1,727,500        | -         |
| <b>Total</b>                   |  | <b>1,727,500</b> | <b>-</b>  |

**5 PAYMENTS FOR TUITION**

|                |  | 2020-2021      | 2019-2020 |
|----------------|--|----------------|-----------|
|                |  | Kshs           | Kshs      |
| Lab Equip      |  | 62,370         | -         |
| Bank charges   |  | 2,590          | -         |
| Internal Exam  |  | 238,350        | -         |
| Exercise books |  | 24,000         | -         |
| tlm            |  | 15,786         | -         |
| <b>Total</b>   |  | <b>343,096</b> | <b>-</b>  |

**6 PAYMENTS FOR OPERATIONS**

|               |  | 2020-2021        | 2019-2020 |
|---------------|--|------------------|-----------|
|               |  | Kshs             | Kshs      |
| P/ Emoluments |  | 1,002,910        | -         |
| E.W.C         |  | 316,375          | -         |
| L.T.T         |  | 64,000           | -         |
| Admin         |  | 369,680          | -         |
| <b>TOTAL</b>  |  | <b>1,752,965</b> | <b>-</b>  |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 BOARDING AND SCHOOL FUND PAYMENTS

|               |  | 2020-2021        | 2019-2020 |
|---------------|--|------------------|-----------|
|               |  | Kshs             | Kshs      |
| Lunch         |  | 3,334,130        |           |
| LIT           |  | 495,850          |           |
| EWC           |  | 629,607          |           |
| P. Emoluments |  | 943,891          |           |
| ADM           |  | 155,095          | -         |
| <b>TOTAL</b>  |  | <b>5,558,573</b> | -         |

8 Infrastructure Account Payments

|              |  | 2020-2021      | 2019-2020 |
|--------------|--|----------------|-----------|
|              |  | Kshs           | Kshs      |
|              |  | Kshs           | Kshs      |
| Hardware     |  | 201,390        |           |
| Labour       |  | 153,194        |           |
| R.M. I       |  | 93,200         |           |
| <b>Total</b> |  | <b>447,784</b> |           |

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

**9 BANK ACCOUNTS**

| Name of Bank, Account No. & currency   | Currency | Name of Bank | Bank Account Number | 2020-2021        | 2019-2020        |
|--|----------|--------------|---------------------|------------------|------------------|
|  |          |              |                     | Kshs             | Kshs             |
| Tuition Account                        | Kshs     | KCB          | 1103836846          | 258,757          | 74,125           |
| Operations Account                     | Kshs     | KCB          | 1103837036          | 479,802          | 8,936            |
| School Fund Account/Boarding           | Kshs     | KCB          | 1103834460          | 66,939           | 104,409          |
| Savings Account                        | Kshs     | KCB          | 1102644471          | 4,222            | 4,222            |
| Parent Association Development Account | Kshs     | KCB          | 1102728993          | 1,089,598        | 588,195          |
| Savings Account                        | Kshs     | KCB          | 1136016074          | 5,082            | 5,082            |
| Savings Account                        | Kshs     | KCB          | 1136016287          | 3,410            | 3,410            |
| Infrastructural Account                | Kshs     | KCB          | 1219542180          | 1,805,817        | 526,101          |
| Economic stimulus programme            | Kshs     | KCB          | 1124902422          | 727              | 727              |
| <b>Total</b>                           |          |              |                     | <b>3,714,354</b> | <b>1,315,207</b> |

**10 CASH IN HAND**

| Description         | 2020-2021     | 2019-2020  |
|---------------------|---------------|------------|
|                     | Kshs          | Kshs       |
| Operation Account   | 307           | 307        |
| School Fund account | 39391         | 166        |
| <b>Total</b>        | <b>39,698</b> | <b>473</b> |

**11 ACCOUNTS RECEIVABLE**

| Description     | 2020-2021        | 2019-2020        |
|-----------------|------------------|------------------|
|                 | Kshs             | Kshs             |
| Fees arrears    | 5,971,628        | 5,407,921        |
| Salary advances | -                | 134,000          |
| <b>Total</b>    | <b>5,971,628</b> | <b>5,541,921</b> |



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| Description                                     | 2020-2021        | 2019-2020        |
|---|------------------|------------------|
|   | Kshs             | Kshs             |
| Fees arrears for current year                   | 697,296          | 1,702,934        |
| Fees arrears for the previous year              | 1,569,345        | 3,704,987        |
| Fees arrears for prior periods (over two years) | 3,704,987        | -                |
| <b>Total</b>                                    | <b>5,971,628</b> | <b>5,407,921</b> |

**12 ACCOUNTS PAYABLE**

| Description                                       | 2020-2021      | 2019-2020        |
|---|----------------|------------------|
|   | Kshs           | Kshs             |
| Trade creditors (See ageing below and appendix 1) | 295,368        | 1,284,635        |
| Prepaid fees.                                     | 27,037         | -                |
| <b>Total</b>                                      | <b>322,405</b> | <b>1,284,635</b> |

| Description                           | 2020-2021      | 2019-2020        |
|---------------------------------------|----------------|------------------|
|                                       | Kshs           | Kshs             |
| Trade creditors for the previous year | 295,368        | 1,284,635        |
| <b>Total</b>                          | <b>295,368</b> | <b>1,284,635</b> |

**13 FUND BALANCE BROUGHT FORWARD**

| Description   | 2020-2021        | 2019-2020        |
|---------------|------------------|------------------|
|               | Kshs             | Kshs             |
| Bank balances | 3,713,626        | 1,314,479        |
| Cash balances | 39,698           | 473              |
| Receivables   | 5,971,628        | 5,541,921        |
| Payables      | (322,405)        | (1,284,635)      |
| <b>Total</b>  | <b>9,402,547</b> | <b>5,572,238</b> |

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**NGAMI SECONDARY SCHOOL  
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**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) |
|---------|-----------------------------------|---------------------|-----------------------------------|--|
|         |                                   |                     |                                   |  |
|         |                                   |                     |                                   |  |
|         |                                   |                     |                                   |  |
|         |                                   |                     |                                   |  |
|         |                                   |                     |                                   |  |
|         |                                   |                     |                                   |  |

**PUBLIC SECONDARY SCHOOLS - (Indicate actual name of the School)**  
**Reports and Financial Statements**  
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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 20 | Outstanding Balance 20XX-1 | Comments |
|----------------------------------|-----------------|-----------------|---------------------|------------------------|----------------------------|----------|
|                                  | A               | b               | c                   | d=a-c                  |                            |          |
|                                  | Kshs            | Kshs            | Kshs                | Kshs                   | Kshs                       |          |
| <b>Construction of buildings</b> |                 |                 |                     |                        |                            |          |
| 1.                               |                 |                 |                     |                        |                            |          |
| 2.                               |                 |                 |                     |                        |                            |          |
| 3.                               |                 |                 |                     |                        |                            |          |
| <b>Sub-Total</b>                 |                 |                 |                     |                        |                            |          |
| <b>Supply of goods</b>           |                 |                 |                     |                        |                            |          |
| 4. PETER MWANG'OMBE              | 199,110         | 2020            |                     |                        |                            |          |
| 5. COPYCAT LTD.                  | 27,258          | 2020            |                     |                        |                            |          |
| 6. MVONO GENERAL INVESTMENTS     | 69,000          | 2020            |                     |                        |                            |          |
| <b>Sub-Total</b>                 | <b>295,368</b>  |                 |                     |                        |                            |          |
| <b>Supply of services</b>        |                 |                 |                     |                        |                            |          |
| 7.                               |                 |                 |                     |                        |                            |          |
| 8.                               |                 |                 |                     |                        |                            |          |
| 9.                               |                 |                 |                     |                        |                            |          |
| <b>Sub-Total</b>                 |                 |                 |                     |                        |                            |          |
| <b>Grand Total</b>               |                 |                 |                     |                        |                            |          |

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**PUBLIC SECONDARY SCHOOLS - (Indicate actual name of the School)**  
**Reports and Financial Statements**  
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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

| Asset class                              | Date purchased | Location   | Historical Cost<br>b/f<br>(Kshs)<br>1 <sup>st</sup> July 20xx | Additions<br>during the year<br>(Kshs) | Disposals during<br>the year<br>(Kshs) | Historical Cost<br>c/f<br>(Kshs)<br>30 <sup>th</sup> June 20xx |
|--|----------------|------------|---|--|--|--|
| Land 1                                   |                |            |   |  |  |  |
| Land 2                                   |                |            |   |  |  |  |
| Buildings and structures                 |                |            |   |  |  |  |
| Motor vehicles                           |                |            |   |  |  |  |
| Office equipment, furniture and fittings |                |            |   |  |  |  |
| ICT Equipment, and Other ICT Assets      |                |            |   |  |  |  |
| Tools and apparatus                      |                |            |   |  |  |  |
| Textbooks                                |                |            |   |  |  |  |
| Refrigerator                             |                | Laboratory | 20,000  |  |  |  |
| Copy printer                             |                | Stores     | 520,000   |  |  |  |
| Intangible assets- JBS SYSTEM            |                |            |   |  |  |  |
| Electronic balance                       |                | Laboratory | 16,000  |  |  |  |
| Portable balances                        |                | Laboratory |   |  |  |  |
| Electric water basin                     |                | Laboratory | 26,000  |  |  |  |
| Meko gas 6kg                             |                | Laboratory |   |  |  |  |
| Meko gas 13 kg                           |                | Laboratory |   |  |  |  |

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| Asset class                  | Date purchased | Location   | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx |
|------------------------------|----------------|------------|--|----------------------------------|----------------------------------|---|
| Model of Torso               |                | Laboratory | 14,000   |                                  |                                  |   |
| Balance - Dialo Grant        |                | Laboratory | 16,000   |                                  |                                  |   |
| Microscope(13 pcs)           |                | Laboratory | 17,000   |                                  |                                  |   |
| Toolkit                      |                | Laboratory | 4,500  |                                  |                                  |   |
| Tinocular microscope 5 pcs   |                | Laboratory |  |                                  |                                  |   |
| Sufuria (large)              |                | Laboratory | 650  |                                  |                                  |   |
| Sufuria (small)              |                | Laboratory | 300  |                                  |                                  |   |
| Benches (20 pcs)             |                | Laboratory |  |                                  |                                  |   |
| Tables(1 pc )                |                | Laboratory |  |                                  |                                  |   |
| Laboratory stools ( 97 pcs ) |                | Laboratory |  |                                  |                                  |   |
| Boiler 400 litres            |                | Kitchen    |  |                                  |                                  |   |
| Boiler 200 litres            |                | Kitchen    |  |                                  |                                  |   |
| Boiler 100 litres            |                | Kitchen    |  |                                  |                                  |   |
| Boiler 50 litres             |                | Kitchen    |  |                                  |                                  |   |
| Boiler 30 litres             |                | Kitchen    |  |                                  |                                  |   |
| Sufuria 400 litres & 2 lids  |                |            |  |                                  |                                  |   |
| Sufuria 200 litres & 2 lids  |                | Kitchen    |  |                                  |                                  |   |

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| Asset class                      | Date purchased | Location  | Historical Cost<br>b/f<br>(Kshs)<br>1 <sup>st</sup> July 20xx | Additions<br>during the year<br>(Kshs) | Disposals during<br>the year<br>(Kshs) | Historical Cost<br>c/f<br>(Kshs)<br>30 <sup>th</sup> June 20xx |
|----------------------------------|----------------|-----------|---|--|--|--|
| Sufuria 100 litres & 2 lids      |                | Kitchen   |   |  |  |  |
| Sufuria 100 litres & 1 lid       |                |           |   |  |  |  |
| Sufuria 90 litres & 1 lid        |                |           |   |  |  |  |
| Sufuria 50 litres 4 pcs & 4 lids |                | Kitchen   |   |  |  |  |
| Sufuria 40 litres & 1 lid        |                | Kitchen   |   |  |  |  |
| Sufuria 30 litres 2 pcs & 2 lids |                | Kitchen   |   |  |  |  |
| Sufuria 30 litres & 1 lid        |                | Kitchen   |   |  |  |  |
| Sufuria 15 litres                |                | Kitchen   |   |  |  |  |
| Sufuria 2 litres 3 pcs           |                | Kitchen   |   |  |  |  |
| Avery weighing scale             |                | Kitchen   |   |  |  |  |
| Tables                           |                | Kitchen   |   |  |  |  |
| Sufuria stand                    |                | Kitchen   |   |  |  |  |
| Double deckers ( 169)            |                | Dormitory |   |  |  |  |
|                                  |                |           |   |  |  |  |
|                                  |                |           |   |  |  |  |
|                                  |                |           |   |  |  |  |
| <b>Total</b>                     |                |           | 634,450   |  |  |  |

KSD