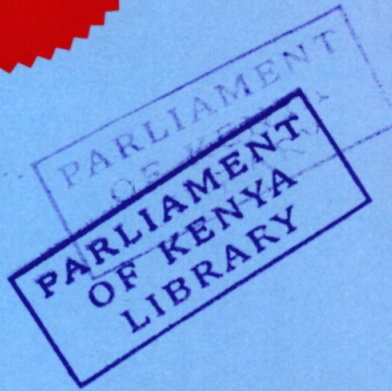


REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 DEC 2024	DAY: MONDAY
TABLED BY: HON. NAOMI WAGHO, MP	DEPUTY MADRIM WIKI
CLERK AT THE TABLE: ESTHER NG'WYO	

**REPORT**

**THE AUDITOR-GENERAL**

**ON**

**KAMBI MAWE HIGH SCHOOL**

**FOR THE SIX (6) MONTHS' PERIOD ENDED  
30 JUNE, 2021**

**MAKUENI COUNTY**

*Revised 30<sup>th</sup> June 2021.*



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# **KAMBI MAWE HIGH 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)**

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**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 Makueni County, Makueni Sub-County

The school was registered in 2/2013 under registration number pulis /1/160078/13 and is currently categorized as a sub county public school established, owned or operated by the Government.

The school is a day/boarding school and had 261 number of students as at 30<sup>th</sup> June 2021. It has 2 streams and 15 teachers of which 2 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	Nashon Thanbu	Chairman	19.07.2019
2	Jackson Mutuku	Secretary- Principal	19.07.2019
3	Benson Katiku	Sponsor	19.07.2019
4	Stephen Muli	Member	19.07.2019
5	Benard Masyula	Member	19.07.2019
6	Festus Ngwili	Sponsor	19.07.2019
7	Julius Wambua	Member	19.07.2019
8	Ramadhan Masila	Member – Rep CEB	19.07.2019
9	Cecilia Muthini	Member Rep Teachers	19.07.2019
10	Festus Solo	3 Members - Sponsor	19.07.2019
11	Stella Nzioka	Member - Community	19.07.2019
12	Justina Katiku	Member Special Needs	19.07.2019
13	Samuel Maundu Makumi	Rep Students	19.07.2019

# KAMBI MAWE HIGH SCHOOL

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

## 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

7Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Nashon Thambu	Chairman	2 out of 2
		2. Zacharia Mwanza	Secretary	2 out of 2
		3. Jackson Mutuku	Member	2 out of 2
		4. Ruth Mbithi	vice chairman	2 out of 2
		5. Wambua Julius	Member	2 out of 2
		6. Stephen Muli	Member	2 out of 2
2	Audit Committee	1. Nashon Thambu	Chairman	1 out of 1
		2. Zacharia Mwanza	Member	1 out of 1
		3. Jackson Mutuku	Member	1 out of 1
		4. Ruth Mbithi	Secretary	1 out of 1
		5. Wambua Julius	Member	1 out of 1
		6. Stephen Muli	Vice chairman	1 out of 1
3	Finance, procurement and general purposes Committee	1. Noah Ngumu	Member	1 out of 1
		2. Jackson Mutuku	Secretary	1 out of 1
		3. Cecilia Muthini	Member	1 out of 1
		4. Stephen Muli	chairman	1 out of 1
		5. Ramadhan Masila	Member	1 out of 1
4	Development Committee	1. Robert Kalanzo	Chairman	2 out of 2
		2. Mr Mutuku	Secretary	2 out of 2
		3. Stephen Muli	Vice chairman	2 out of 2
		4. Purity Mutuku	Member	2 out of 2
		5. Mrs Mwinzi	Deputy principal	2 out of 2
		6. Mrs Muthini	Senior teacher	2 out of 2
5.	Discipline and welfare Committee	1. Eunice Mwinzi	Deputy principal	2 out of 2
		2. Jeniffer Kioko	Vice Chairperson	2 out of 2
		3. Robert Kalanza	Chairman	2 out of 2

### (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	Jackson Mutuku	322227
2	Deputy Principal	Eunice Mwinzi	407320
3	School Bursar	Alphonse Musau	ID NO 28883575

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended *30<sup>th</sup> June 2021***

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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

**(e) Schools contacts**

Post Office Box: PO box 28-90300  
Telephone: 0715534422  
E-mail: kambimaweboyssecondary@gmail.com  
Website: None  
Facebook: None  
Twitter: None

**(f) School Bankers**

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

1. **Account Name:** Kambi mawe Boys –Operation Account  
**Name of Bank:** KCB  
**Branch:** WOTE  
**Account Number:** 1141300842
2. **Account Name:** Kambi mawe boys –Boarding Account  
**Name of Bank:** Equity  
**Branch:** WOTE  
**Account Number:** 0670277089361
3. **Account Name:** Kambi mawe boys –Tuition Account  
**Name of bank:** KCB  
**Branch:** WOTE  
**Account Number:** 1141300761
4. **Account Name:** Kambi mawe boys -infrastructure  
**Name of bank:** EQUITY  
**Branch:** WOTE  
**Account Number:** 0670279650194
5. **Account Name:** Kambi mawe boys -CDF account  
**Name of bank:** KCB  
**Branch:** WOTE  
**Account Number:** 1137158751

**(g) Independent Auditors**

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

## KAMBI MAWE HIGH SCHOOL

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

Kambi mawe boys secondary school

Reports and financial statements for the year ended 30<sup>th</sup> June 2021

### II. Summary Report of performance of the school

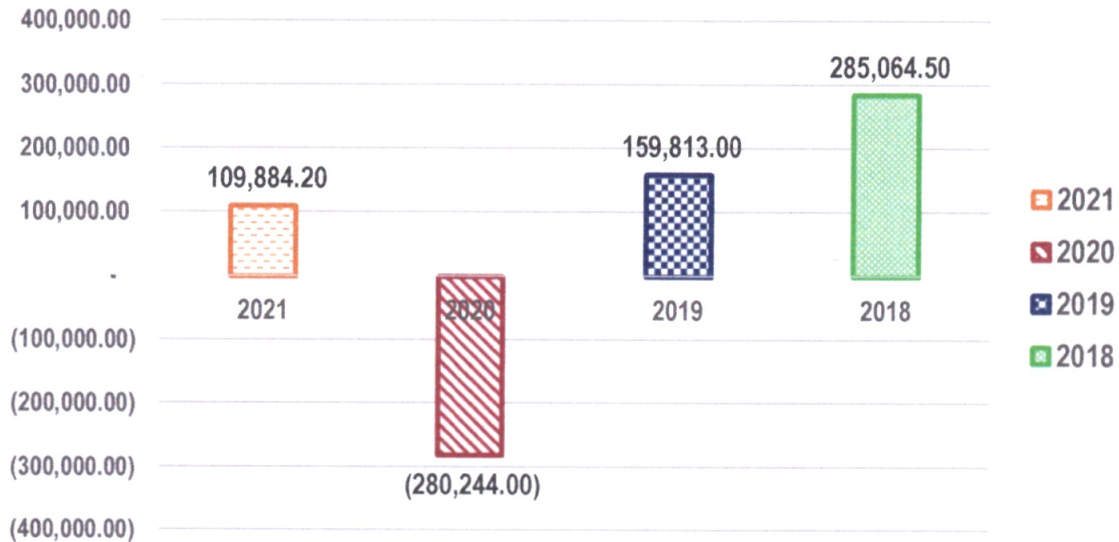
The following is a summary report of the performance of the school against the set performance evaluation criteria:

#### a) Financial performance:

##### (i) Surplus/ deficit for the year and a comparison of the same for the last three years

Particulars	2021	2020	2019	2018
Tuition	247,710.25	149,709	(159,793)	77,240.20
Operation	248,807.05	39,387	305,112.40	305,678.40
Boarding & Lunch	109994	90,698	(305,133)	(667,983.10)
<b>Total Growth</b>	<b>109,884.20</b>	<b>(280,244)</b>	<b>159,813.60</b>	<b>285,064.50</b>

**SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS**

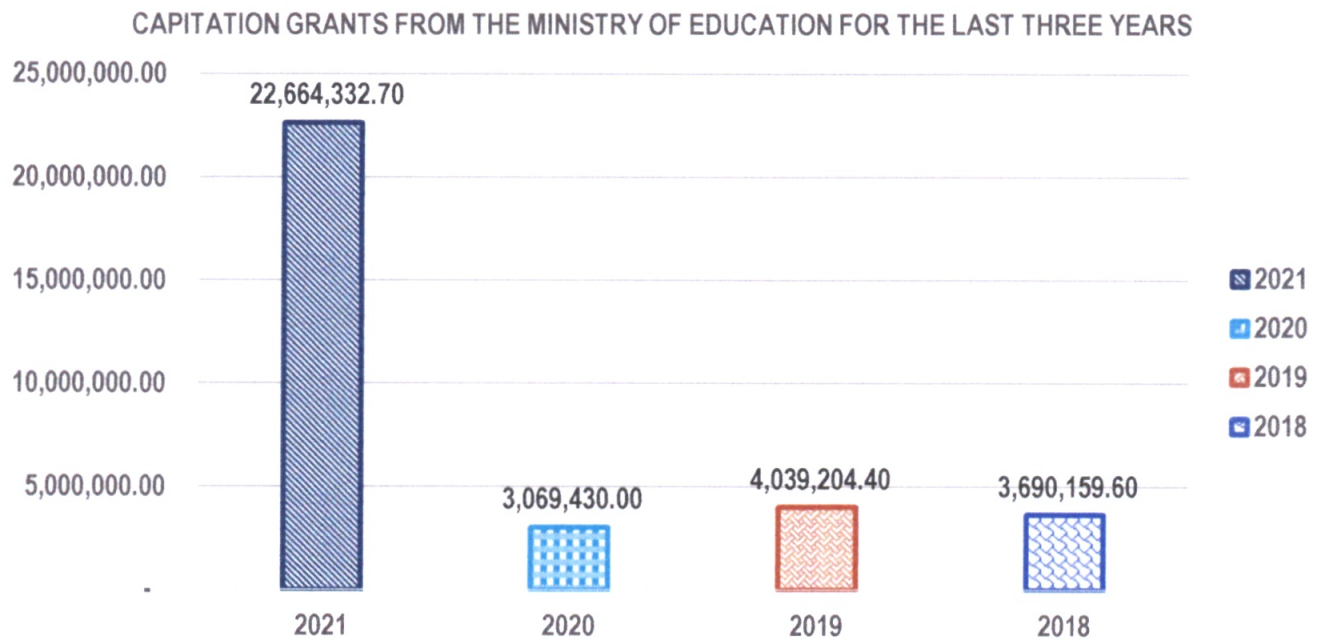


##### (ii) Capitation grants from the Ministry of Education for the last three years

Particulars	2021	2020	2019	2018
Tuition	312,070.25	401,344	705,032	948,046.20
Operation	1,990,362.45	2,668,086	3,334,172.40	2,742,113.40
<b>Total</b>	<b>2,302,432.70</b>	<b>3,069,430</b>	<b>4,039,204.40</b>	<b>3,690,159.60</b>
Growth	<b>1.6,475</b>	<b>1.11,805</b>	<b>1.17,410</b>	<b>1.20,275</b>



**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

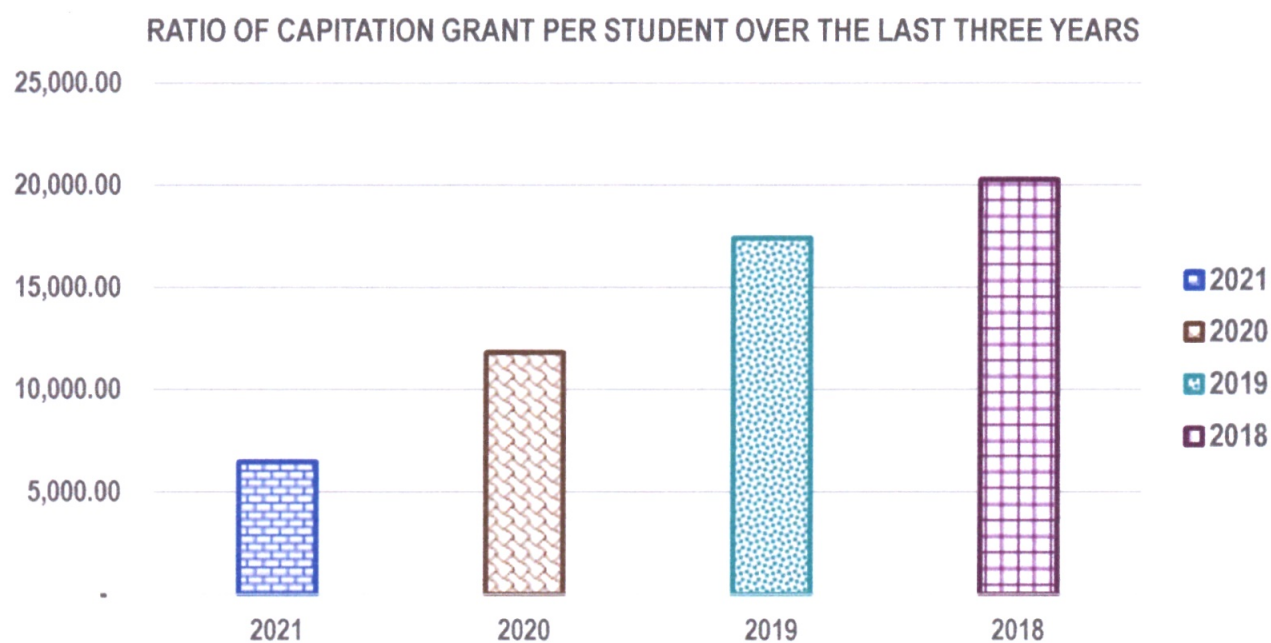


**(iii) Ratio of capitation grant per student over the last three years**

Particulars	2018	2019	2020	2021
Number of students	182	232	260	350
Ration	1:20,275	1:17,410	1:11,805	1:6,475.52

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended *30<sup>th</sup> June 2021***

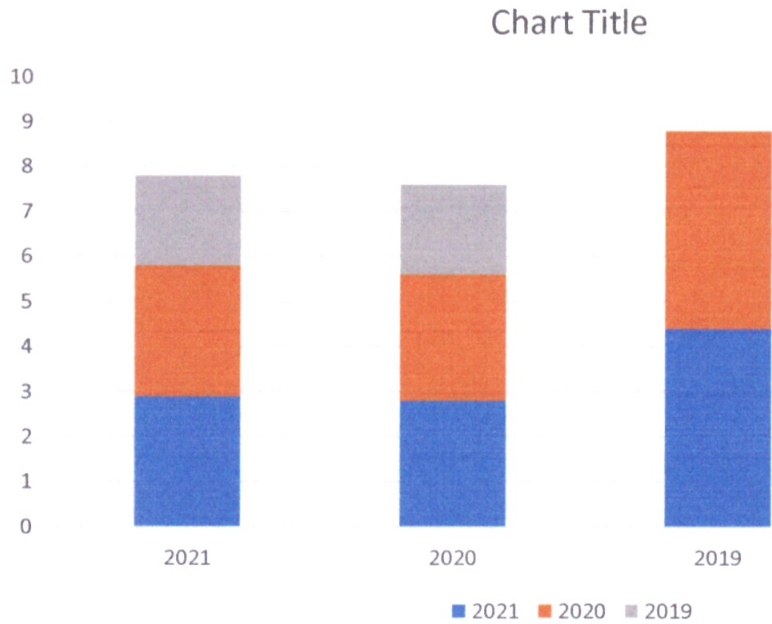
**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**



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

<b>PARTICULARS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>School fund</b>	2,982,144.90	2,831,169.00	4,421,416.00
<b>total</b>	<b>2,982,144.90</b>	<b>2,831,169.00</b>	<b>4,421,416.00</b>

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

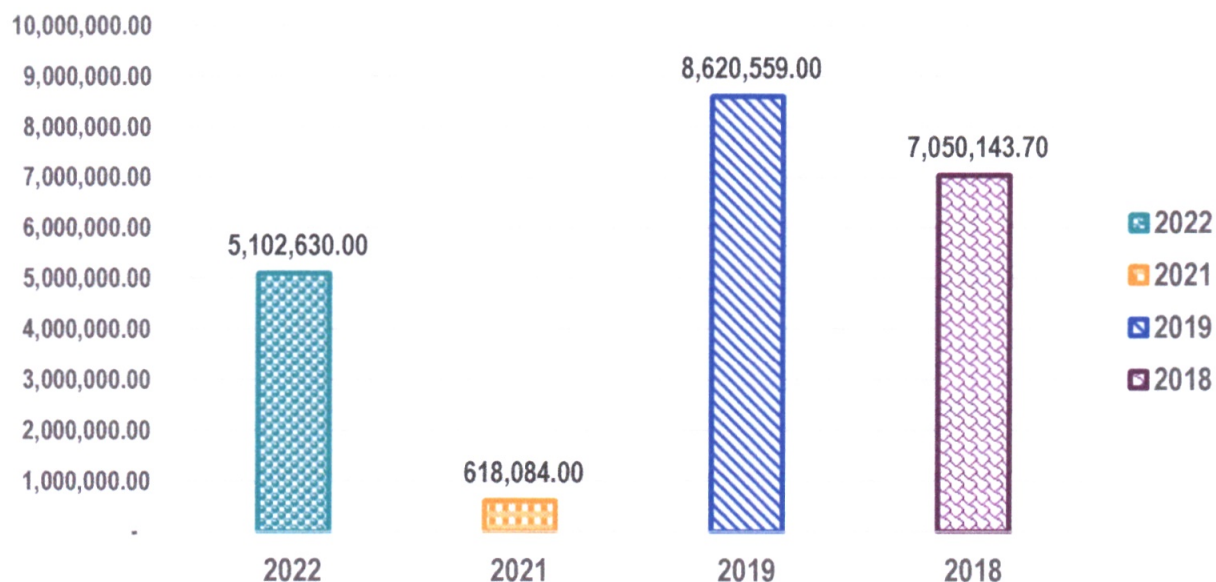


*(v) A three-year overview of growth in expenditure of the school*

Particulars	2021	2020	2019	2018
Tuition	64,360.00	551,053.00	864,825.00	1,079,421.00
Operation	2,239,170.00	2,7079,233.00	3,029,060.00	2,436,434.60
Boarding & lunch	2,799,100.00	2,921,867.00	4,726,674.00	
Infrastructure	0	0	0	3,534,279.10
<b>Total</b>	<b>5,102,630.00</b>	<b>618,084.00</b>	<b>8,620,559.00</b>	<b>7,050,143.70</b>

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

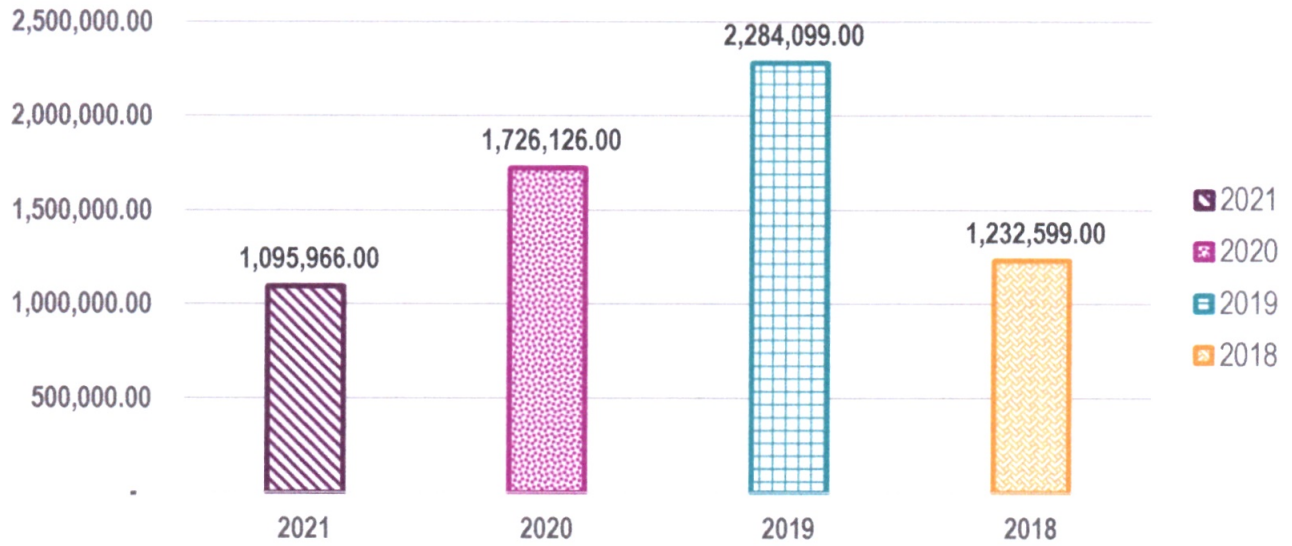


*(vi) Movement of debtors and creditors of the school over the last three years*

Particulars	2018	2019	2020	2021
Tuition	638,966.00	800,101.00	804,214.00	522,139.00
Operation	90,100.00	161,100.00	562,960.00	562,960.00
Boarding & lunch	0	764,925.00	916,925.00	147,500.00
Infrastructure	366,960.00	0	0	00
<b>Total</b>	<b>1,095,966.00</b>	<b>1,726,126.00</b>	<b>2,284,099.00</b>	<b>1,232,599.00</b>

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report 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**



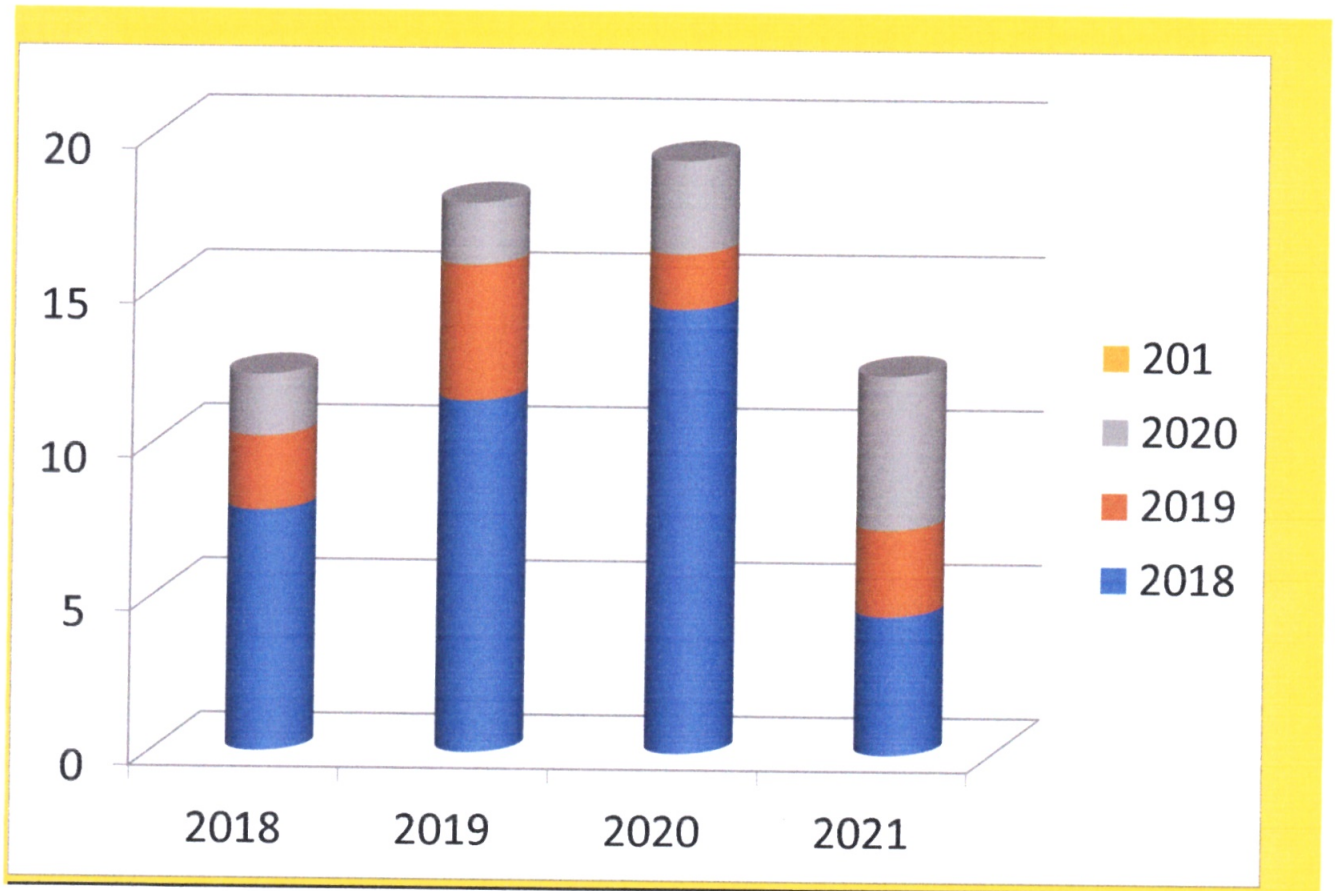
**Movements of debtors for three years 2018 - 2021**

particulars	2018	2019	2020	2021
Tuition	0	0	0	0
Operation	0	0	0	0
Boarding & lunch a/c	788534	1142987	1420333	1306033
Infrastructure	0	0	0	0
CDF	0	0	0	0
<b>Total</b>	0	0	0	0
<b>growth</b>	<b>788534</b>	<b>1142087</b>	<b>1420333</b>	<b>1306033</b>

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**



**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**



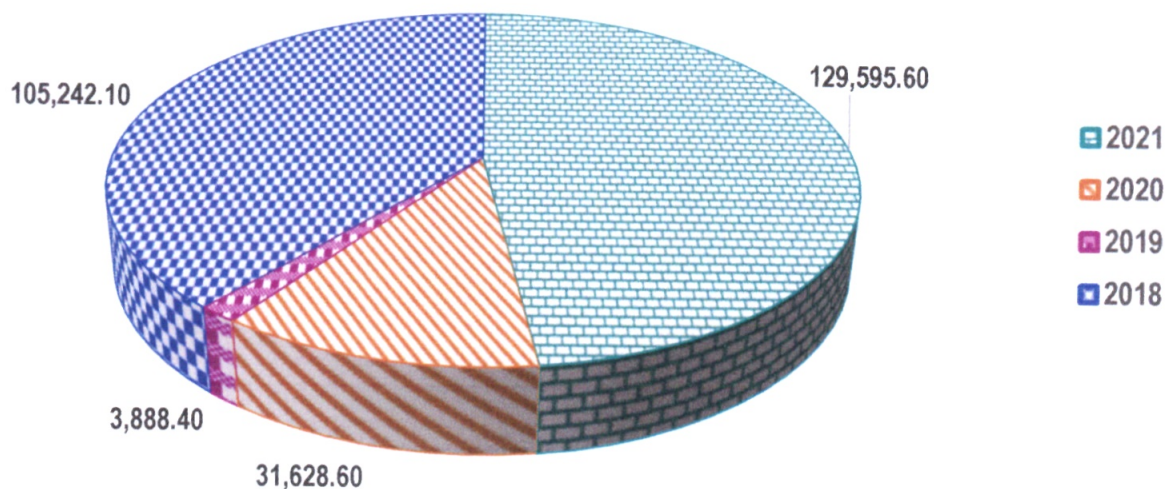
*(vii) Movement of debtors and creditors of the school over the last three years*

Particulars	2021	2020	2019	2018
Tuition	6,093.95	383.20	979.20	1,637.20
Operation	97,493.75	(34,801.70)	2,175.30	103,362.90
Boarding & lunch	6,807.90	2,789.90	733.90	252.00
Infrastructure	19,200.00	0	0	0
<b>Total</b>	<b>129,595.60</b>	<b>31,628.60</b>	<b>3,888.40</b>	<b>105,242.10</b>



**KAMBI MAWE HIGH SCHOOL**  
**Annual Report 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*



**(b) Teacher student ratio for 2018- 2021**

Year	Recruited	Posted	Transferred	Retired	No. Of TSC teachers	No of BOM teachers
2018	2	0	0	0	7	6
2019	2	0	1	0	10	6
2020	0	0	0	1	9	6
2021	2	1	0	0	13	6
<b>Total</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>38</b>	<b>24</b>

**(c) Mean score in the 2018-2021 KCSE:**

YEAR	NO of students	No of students transitioned to high learning	Mean score	Improvement	Grade
2018	48	10	2.7	0	D
2019	46	7	2.54	0.16	D
2020	56	28	3.714	1.174	D+
2021	45	24	2.866	(0.174)	D
2022	76	20	3.040	(0.826)	D

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**(d) Number of candidates in 2018 - 2021**

2018	2019	2020	2021
48	46	56	44

**e) Capacity of the school facilities**

Assets	Number	Capacity Ratio
Classroom	9	1:40
Dormitories	3	1:2697
Dining hall	0	0
Oblation block/toilets teachers, students, visitors	32	1:11.406
Bicycle	0	1:365
Kitchen	1	1:365
Store	2	1:182.5
Science lab	1	1:365
Computer lab	1	1:365
Mabati store	0	1:352

**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

a) Development projects carried out by the school:

	<i>source</i>	<i>Estimated cost</i>	<i>Actual costs</i>	<i>remarks</i>
Boys latrine	MOEST	200,000	200,000	complete
Deputy house finishing	MOEST	85,000	50,000	Complete
Construction of new boys dormitory	MOEST	850,000	850,000	Complete
	TOTAL	<b><u>1,135,000</u></b>	<b><u>1,135,000</u></b>	

Sign   
 School Principal



**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**


**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 (*Kambi Mawe 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:** Daniel Munywovoo  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 15/8/2024

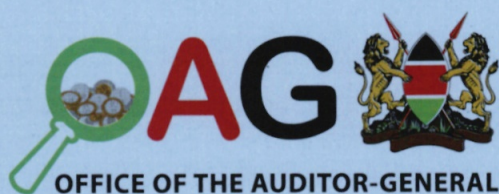
**Name:** Jackson Mutuku  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 15/8/2024

**Name:** Alphonse Musau  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** \_\_\_\_\_



# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON KAMBI MAWE HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – MAKUENI 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 the Government achieves value for money and that such funds are applied for intended purpose; and,
- 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, risk management environment and 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 Kambi Mawe High School - Makueni County set out on pages 2 to 19, which comprises of the statement of receipts

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*Report of the Auditor-General on Kambi Mawe High School for the Six (6) months' period ended 30 June, 2021 - Makueni County*

and payments for the year ended 30 June, 2021, the statement of assets and liabilities, statement of cash flows, statement of budgeted versus actual amounts for the period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kambi Mawe High School – Makueni 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 Opinion**

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

Review of the financial statements revealed errors and omissions as detailed below;

- i. The statement of receipts and payments reflects boarding and school fund payments of Kshs.1,682,424 which varies with Note 7 to the financial statements of Kshs.3,154,273 resulting to an unexplained variance of Kshs.1,471,849.
- ii. The statement of cash flows reflects payments for operations of Kshs.1,626,320 while Note 6 to the financial statements reflects of Kshs.2,402,970 resulting to an unexplained variance of Kshs.776,650.
- iii. The statement of cash flows reflects a nil amount for school fund income other receipts in respect of the previous year (2019/2020) while Note 4 to the financial statements reflects Kshs.2,426,654 resulting to an unexplained variance of Kshs.2,426,654.
- iv. The statement of cash flows reflects school fund income parents contributions in respect of the previous year (2019/2020) of Kshs.4,361,801 while Note 3 to the financial statements reflects Kshs.404,515 resulting to an unexplained variance of Kshs.3,957,286.
- v. The statement of cash flows reflects payment for operations in respect of the previous year (2019/2020) of Kshs.2,306,063 while Note 6 to the financial statements reflects Kshs.2,707,923 resulting to an unexplained variance of Kshs.401,860.

- vi. The statement of cash flows reflects Boarding and school fund payments in respect of the previous year (2019/2020) of Kshs.4,579,331 while Note 7 to the financial statements reflects Kshs.2,921,867 resulting to an unexplained variance of Kshs.1,657,464.
- vii. The statement of cash flows reflects payments for tuition in respect of the previous year (2019/2020) Kshs.581,354 while Note 5 to the financial statements reflects Kshs.551,053 resulting to an unexplained variance of Kshs.30,301.
- viii. The statement of financial assets and liabilities reflects accumulated fund brought forward for the current year and previous year (2019/2020) of Kshs.(894,455) and Kshs.(614,211) respectively which differs with Note 13 to the financial statements of Kshs.895,395 and Kshs6,151,506 respectively resulting to an unexplained variances of Kshs.1,789,910 and Kshs.6,765,717 respectively.
- ix. The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.13,430,200 and Kshs.5,260,269 respectively which differs with the computed amounts of Kshs.13,160,200 and Kshs.6,835,880 respectively resulting to an unexplained variance of Kshs.270,000 and Kshs.1,575,611 respectively.
- x. The statement of budgeted versus actual amounts reflects final expenditure budget and actual on comparable basis amounting to Kshs.13,430,200 and Kshs.3,960,825 which differs with the computed amounts of Kshs.28,309,800 and Kshs.11,587,764, resulting unexplained variances of Kshs14,879,600 and Kshs.7,626,939 respectively.
- xi. The page numbering does not follow the format provided by the IPSAS template, where roman iv, viii, xiv and pages 1 of the annual report and financial statements were left blank.
- xii. Disclosure Notes 11 and 12 in respect of accounts receivables and accounts payables respectively are erroneously reflected as notes 10 and 11 in the statements of financial assets and liabilities.
- xiii. Annex to the financial statements being the summary of fixed asset register does not provide assets value and year of acquisition.

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

## **2. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities reflects receivables balance of Kshs.1,306,033 in respect of fees arrears as disclosed in Note 11 to the financial

statements. However, included in the balance are receivables amounting to Kshs.442,384 which had been outstanding for more than two (2) years.

However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivable balance.

In the circumstances, the accuracy and recoverability of the receivables balance of Kshs.1,306,033 could not be confirmed.

### **3. Unsupported Payables**

The statement of financial assets and financial liabilities reflects payables balance amounting to Kshs.1,232,599 as disclosed in Note 12 to the financial statements. However, the school did not provide any support documents for the accounts payable including invoices, delivery notes, LPOs/LSOs, interim or completion certificates etc.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.1,232,599 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.13,430,200 and Kshs.5,260,269 respectively resulting to an under-funding of Kshs.8,169,931 or 60 % of the budget. However, the School spent a balance of Kshs.3,960,825 against actual receipts of Kshs.5,260,269 resulting to an under-utilization of Kshs.1,299,444 or 25% of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the 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. Late Submission of Financial Statements to the Auditor-General**

During the year under review, Management submitted the financial statements to the Auditor-General on 6 June, 2024 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.No:MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The statement of receipts and payments reflects operations grants amount of Kshs.1,954,362 as disclosed in Note 2 to the financial statements. However, the School received operations capitation grants of Kshs.2,844,637 during the entire financial year 2020/2021. Out of this, Kshs.1,016,750 was to be transferred to the infrastructure account. However, the School only transferred Kshs.485,000 to its infrastructure account leaving a balance of Kshs.531,750 as at 30 June, 2021. This is contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

### **3. Irregular Virement of Funds**

The statement of receipts and payments for the year ended 30 June, 2021 and as disclosed in Note 1 to the financial statements reflects capitation grants for tuition amount of Kshs.312,070. However, It was noted that the School transferred an amount of

Kshs.111,000 from the tuition account to the operations account on diverse dates contrary to the requirements of the law.

In the circumstances, value for money for the activities in relation to the capitation grants for tuition may not have been achieved.

#### **4. Non-Banking of School Fee Receipts**

The statement of receipts and payments for the year ended 30 June, 2021 and as disclosed in Note 4 to the financial statements reflects school fund income-other receipts amount of Kshs.2,533,921. Included in this amount is school fees amounting to Kshs.1,804,322 received from parents in the form of cash that was not promptly banked in the school fund bank account. It was also noted that the cash received was used at source.

In the circumstances, the accuracy and completeness of school fund Income could not be confirmed.

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

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.2,266,432. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021, NEMIS reported a total number of 241 students while the enrolment record provided by Kambi Mawe High School indicated a total of 268 students. This resulted into an underfunding of the School by Kshs.318,871 during the period ended 30 June, 2021. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the School may have affected service delivery to the students.

#### **4. Long Outstanding Accounts Payable**

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.1,232,599. However, the balance of Kshs.1,232,599 had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

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

## **5. Failure to Prepare Improvement Plan**

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

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

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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed except for the matter(s) described in the Basis for Conclusion on the 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 governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Internal Audit Function and Audit Committee**

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

## **2. Failure to Prepare Bank Account Reconciliations**

The School Management did not submit the bank reconciliation statements of the CDF account held and did not submit returns to The National Treasury for year under review contrary to Regulations 90(1) of the PFM (National Government) Regulations, 2015. Additionally, the School did not prepare Board of cash survey report to confirm reported balances.

In the circumstances, the adequacy of internal controls in cash management could not be confirmed.

## **3. Incomplete Assets Register**

Annex 2 to the financial statements reflects a summary of fixed assets register with nil values. Additionally, the assets register provided for audit review lacked mandatory information for both existing and acquired assets including dates of acquisition, persons responsible, assets' location, assets' values net of depreciation and amortization and current market values.

In the circumstances, the safe custody and ownership of the School's fixed assets could not be confirmed.

## **4. Ineffective Management of Textbooks**

During the year under review, scrutiny of the library records revealed the following:

- i. There was excess supply of a total of forty-four (44) set books comprised of blossom of savanna, inheritance, tumbo lisiloshiya and chozi la heri.
- ii. The number of books lost were two hundred and fifteen (215) with only one recovered. Although some of the students had been cleared by the school, the books had not been recovered or returned and no measures were put in place by the management to minimize the loss.
- iii. There was a short supply of four set books totaling eighty-eight (88).

In the circumstances, the adequacy of internal controls on text book management cannot be confirmed. Additionally, the 1:1 text book to student ratio cannot be realized when proper custody of the text books and set books are not maintained by the School management.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 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 its operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 November, 2024

## KAMBI MAWE HIGH SCHOOL

Annual Report 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	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	312,070.25	401,344.00
Capitation grants for operations	2	1,954,362.45	2,668,086.00
School Fund Income- Parents' Contributions	3	448,225.00	404515.00
School Fund Income- Other receipts	4	2,533,920.90	2,426,654.00
<b>TOTAL RECEIPTS</b>		<b>5,248,578.60</b>	<b>5,900,599.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	306,360.00	551,053.00
Payments for operations	6	2,402,970.00	2,707,923.00
Boarding and school fund payments	7	1,682,424.40	2,921,867.00
<b>TOTAL PAYMENTS</b>		<b>439,1754.40</b>	<b>6,180,843.00</b>
<b>SURPLUS/DEFICIT</b>		<b>856,824.20</b>	<b>(280,244)</b>

The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Sign: 

**Name:** Daniel Munywovoo  
**Chair BOM**

**Date:** 15/8/2024

Sign: 

**Name:** Jackson Mutuku  
**School Principal/ Secretary to BOM**

**Date:** 15/8/2024

Sign: 

**Name:** Alphonse Musau  
**Bursar/ Finance Office**

**Date:** \_\_\_\_\_





# KAMBI MAWE HIGH SCHOOL

Annual Report 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

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	105,185.90	(33,357.10)
Cash Balances	9	25,750.00	2,668.00
Short term Investment		0	0
<b>Total Cash and cash equivalent</b>		<b><u>130,935.90</u></b>	<b><u>(30,689.10)</u></b>
Account's receivables	10	1,306,033	1,420,333
<b>TOTAL FINANCIAL ASSETS</b>		<b>1,436,968.90</b>	<b>1,389,643.90</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	11	1,232,599.00	(2,284,099.00)
<b>NET FINANCIAL ASSETS</b>		<b>204,369.10</b>	<b>(894,455.10)</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	12	(894,455.10)	(614,211.10)
Surplus/Deficit for the year		856,824.20	(280,244)
<b>NET FINANCIAL POSSITION</b>		<b>204,369.10</b>	<b>(894,455,10)</b>
		<b>(37,630.990)</b>	

The School's financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Sign: 

Name: Daniel Munywovoo  
Chair BOM

Sign: 

Name: Jackson Mutuku  
School Principal/ Secretary to BOM

Sign: 

Name: Alphonse Musau  
Bursar/ Finance Office

Date: 15/8/2024

Date: 15/8/2024

Date: \_\_\_\_\_



**KAMBI MAWE HIGH SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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

		2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	312,070.25	401,344.00
Capitation grants for operations	2	1,954,362.45	2,668,086.00
School fund income- Parents contributions/ fees	3	448,225	4,361,801.00
School fund income- other receipts	4	2,533,920.90	0
<b>Total receipts</b>		<b>5,248,578.60</b>	<b>7,431,231.00</b>
<b>Payments</b>			
Payments for Tuition	5	306,360.00	581,354.00
Payments for operations	6	1,626,320.00	2,306,063.00
Boarding and school fund payments	7	3,154,233.50	4,579,331.00
<b>Total payments</b>		<b>5,086,953.50</b>	<b>7,466,748.00</b>
<b>Net cash flow from operating activities</b>		<b>161,625.10</b>	<b>(35,517.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
<b>Net cash flows from Investing Activities</b>		<b>0</b>	<b>0</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
<b>Net cash flow from financing activities</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>161,625.10</b>	<b>(35,517.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>(30,689.10)</b>	<b>3,888.40</b>
<b>Cash and cash equivalent at END of the year</b>		<b>130,935.90</b>	<b>(30,689.10)</b>

**KAMBI MAWE HIGH SCHOOL**  
Annual Report and Financial Statements For the year ended *30<sup>th</sup> June 2021*

viii. **STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS 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	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	0	0	0	0	0	0
Exercise books t/learning	1,450,400	725,200	725,200	312,070	413,129.75	43%
Laboratory equipment	0	0	0	0	0	0
Internal exams	0	0	0	0	0	0
Teaching / learning materials	0	0	0	0	0	0
Chalks	0	0	0	0	0	0
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0
<b>Sub total</b>	<b>1,450,400</b>	<b>725,200</b>	<b>725,200</b>	<b>312,070.25</b>	<b>413,129.75</b>	<b>43%</b>
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance	175,000	875,000	875,000	953,185	(78185)	108%
Local transport / travelling	0	0	0	0	0	
Electricity and water & other vote head	3,290,000	1645,000	1645,000	103,177.45	607,822.55	63%
	0	0	0			
Activity	525,000	262,500	262,500		262500	
Gratuity		0	0	0		0
SMASSE	70,000	35,000	35,000	0	35,000	0
<b>Sub total</b>	<b>6,335,070</b>	<b>3,167,500</b>	<b>3,167,500</b>	<b>1,990,362.45</b>	<b>1,177,137.55</b>	<b>62%</b>
<i>3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments	0	0	0	0	0	0

**KAMBI MAWE HIGH SCHOOL**  
Annual Report 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	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs and maintenance	840000	420000	420000	117660	302340	28%
Local transport / travelling	0	0	0	0	0	0
Electricity and water	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Activity	0	0	0	0	0	0
SMASSE	52500	26250	26250	28537	2287	108%
FEES ON BOARDING EQUIPMENTS AND STORES	6820500	3412500	3492500	2509612	4949138	33%
<b>OTHER INCOME</b>			7428750			0
Bes	8032500	4016250	4016250	2509612	4,919,138	33%
Income from farming activities	0	0	0	0	0	0
Insurance compensation	0	0	0	0	0	0
Income from Posho mill	0	0	0	0	0	0
Income from Bus Hire	0	0	0	0	0	0
Fee for hire of ground and other vote head	3325000	1662500	1662500	302027	1360473	18%
Interest income	0	0	0	0	0	0
Sub total	19075000	9537500	9537500	2957836	6579664	31%
<b>TOTAL INCOME</b>	28,860,400	13,430,200	13,430,200	5,260,268.70	12,904,131.30	39%
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials	26860400	13430200	13430200	5260268.70	12904131.30	39%
Exercise books	145400	725200	725200	64000	661200	8%
Laboratory equipment						
Internal exams	0	0	0	0	0	0
Teaching / learning materials	0	0	0	0	0	0
Chalks	1,450,400.00	725,200.00	725,200.00	64,000.00	661,200.00	8%
Exams and assessment	0	0	0	0	0	0

**KAMBI MAWE HIGH SCHOOL**  
Annual Report 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	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Teachers guides	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Bank Charges	1,450,400.00	725,200.00	725,200.00	64,000.00	661,200.00	8%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	0	0	0	0	0	0
Repairs, maintenance& improvements	1,750,000.00	875,000.00	875,000.00	917,185.00	42,185.00	104%
Local transport / travelling	0	0	0	0	0	0
Electricity, water and conservancy	329,000.00	1,645,000.00	1,645,000.00	1,260,005.00	384,995.00	76%
Medical	700,000.00	350,000.00	350,000.00	0	350,000.00	0
Administration costs						
Activity Expenses	525,000.00	262,500	261,500.00	61,500.00	201,000.00	23%
Gratuity	0	0	0	0	0	0
SMASSE	70,000.00	35,000.00	35,000.00	0	35,000.00	0
<b>Sub total</b>	<b>6,835,000.00</b>	<b>3,167,500.00</b>	<b>3,167,500.00</b>	<b>2,238,690.00</b>	<b>928,810.00</b>	<b>70%</b>
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	0	0	0	0	0	0
Repairs, maintenance and improvements	840,000.00	420,000.00	420,000.00	154,700.00	265,300.00	36%
Local transport / travelling	0	0	0	0	0	0
Electricity, water and conservancy	0	0	0	0	0	0
Medical Expenses & other vote head	3,325,000.00	1,662,500.00	1,662,500	346,932.00	1,315,568.00	20%
Administration costs						
Activity	52,500.00	26,250.00	26,250	33,500.00	7,250.00	127%
Gratuity	0	0	0	0	0	0
Lunch programme	<b>6,825,000.00</b>	<b>3412500.00</b>	<b>7,428,750.00</b>	<b>1,122,983.00</b>	<b>6,305,767.00</b>	<b>15%</b>

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
	8,032,500.00	4016250.00				
Boarding Equipment and Stores	0	0	0	0	0	0
Expenditure for Income Generating Activity	0	0	0	0	0	0
Insurance costs	0	0	0	0	0	0
Other expenses on investments	0	0	0	0	0	0
Rent Expenses	0	0	0	0	0	0
Bank Charges	0	0	0	0	0	0
Loan Interest Repayment	0	0	0	0	0	0
Loan Principal Repayment	0	0	0	0	0	0
Acquisition of Assets	0	0	0	0	0	0
<b>TOTALS</b>	<b>19,075,000.00</b>	<b>9,537,500.00</b>	<b>9,537,500.00</b>	<b>1,658,115.00</b>	<b>7,879,385.00</b>	<b>29%</b>
<b>Total expenditure</b>	<b>26,860,400.00</b>	<b>13,430,200.00</b>	<b>13,430,200.00</b>	<b>3,960,825.00</b>	<b>9,469,395.00</b>	<b>29%</b>

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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.

## KAMBI MAWE HIGH SCHOOL

### Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021 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.



## KAMBI MAWE HIGH SCHOOL

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### X. NOTES TO THE FINANCIAL STATEMENTS

#### 1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	0
Laboratory equipment	0	0
Internal exams	0	0
Teaching / learning materials	312,070.25	401,344.00
Chalks	0	0
Exams and assessment	0	0
Teachers guides	0	0
<b>Total</b>	<b>312,070.25</b>	<b>401,344/=</b>

#### 2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	0	0
Repairs and maintenance	0	987,500/-
Local transport / travelling	0	0
Electricity and water other vote heads	1,954,362.45	1,550,386.00
Medical	0	43,400
Administration costs	0	0
Activity	0	86,800
<b>Total</b>	<b>1,954,362.45</b>	<b>2,668,086</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	117,660	53,628.00
Repairs and maintenance	0	0
Local transport / travelling	302,027.00	348,427.00
Electricity and water	0	0
Medical	0	0
Administration costs	0	0
Activity	28,538.00	2460.00
<b>Total</b>	<b>448,225.00</b>	<b>404,515/=</b>

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

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	2,509,920.00	2,426,654.00
Rent income	0	0
Income from farming activities	0	0
Insurance compensation	0	0
Income from Posho mill	0	0
Bursary	24,000	0
<b>Sub-total</b>	<b>2,533,920.90</b>	<b>2,426,654.00</b>

**5 PAYMENTS FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	30,000.00	60,000.00
Exercise books	50,000.00	315,147.00
Laboratory equipment	80,000.00	48,896.00
Internal exams	15,000.00	44,570.00
Teaching / learning materials	20,000.00	21,400.00
Chalks	0	3,400.00
Exams and assessment	0	0
Operations account	111,000.00	57,400.00
Administration Costs	0	0
Bank Charges	360.00	240
<b>Total</b>	<b>306,360</b>	<b>551,053.00</b>

**KAMBI MAWE HIGH SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

	June 2021	2019-2020
	Kshs	Kshs
Personnel emoluments	0	0
Service Gratuity	0	0
Administration Cost	0	0
Repairs and maintenance & improvements	0	1,172,808.00
Local transport / travelling	0	0
Other vote head	1,224,005.00	1,355,875.00
Medical	0	0
Activity Expenses	61,500.00	179,240.00
SMASSE	0	0
Insurance Cost	0	0
Bank Charges	480.00	0
Infrastructure	1,116,985.00	0
<b>TOTAL</b>	<b>2,402,970.00</b>	<b>2,707,923.00</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	0	0
Service Gratuity	0	0
Repairs and maintenance & Improvements	154,700.00	900,839.00
Local transport / travelling	0	0
Medical Expenses	0	0
Activities	33,500.00	61,570.00
Lunch Programme	0	0
other vote head	346,932.00	904,185.00
Expenses on Income Generating Activities	0	0
Fee on Boarding Equipment and Stores	2,594,833.00	1055273.00
bursary	24,000.00	0
B/CHARGES	308.90	
<b>SUB-TOTAL</b>	<b>3,154,273.40</b>	<b>2,921,867.00</b>

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**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	1141300761	6,093.95	383.70
Operations Account	1141300842	97,493.75	(34,988.70)
School Fund Account/Boarding	0670277089361	447.70	308.40
Savings Account		0	0
Parent Association Development Account		0	0
Income generating activities Account		0	0
Infrastructural Account	06702799650194	210.00	0
Cdf account		939.50	939.50
<b>Total</b>		<b>105,185.90</b>	<b>(33357.10)</b>

**9 CASH IN HAND**

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0	0
Operation Account	0	187.00
School Fund account	6,760.00	2,481.00
infrastructure	18,990.00	0
Cdf account	0	0
<b>Total</b>	<b>25,750.00</b>	<b>2,668.00</b>

**10 SHORT TERM INVESTMENTS**

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

**11 ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	1,306,033.00	1,420,333
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
<b>Total</b>	<b>1,306,033.00</b>	<b>1420,333.00</b>

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	435,771.00	
Fees arrears for the previous year	427,878.00	427,878.00
Fees arrears for prior periods (over two years)	442,384.00	992,458.00
<b>Total</b>	<b>1,306,033.00</b>	<b>1,420,333 .00</b>

**12 ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,232,599.00	2,284,099.00
Prepaid fees	0	0
Retention monies	0	0
<b>Total</b>	<b>1,232,599.00</b>	<b>2,284,099.00</b>

/Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	0	
Trade creditors for the previous year	0	1,157,573.00
Trade creditors for prior periods (over two years)	1,232,599.00	1,126,526.00
<b>Total</b>	<b>1,232,599.00</b>	<b>2,284,099.00</b>

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

**13 FUND BALANCE BROUGHT FORWARD**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	(34,296.60)	(1,466.40)
Cash balances	2,668.00	4,999.40
Short Term Investments	0	0
Receivables	1,420,333.00	1,142,087.00
Payables	(2,284,099.00)	(1,761,126.00)
<b>Total</b>	<b>895,394.60</b>	<b>6,151,506.00</b>

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**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

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

**15 Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	1	60,000.00	40,000.00
Goats		0	0
Trees		0	0
Coffee or tea plantation		0	0
Poultry	28	14,000.00	9,600.00
<b>Total</b>	<b>29</b>	<b>74,000.00</b>	<b>49,600.00</b>

**16 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
<b>Balance at end of the year</b>	<b>Nil</b>	<b>0</b>

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**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	74,000.00	0
Stock/ inventory purchased during the year	0	0
Stock/ inventory issued during the year	0	0
<b>Balance at end of the year</b>	<b>165,300.00</b>	<b>74,000</b>



# KAMBI MAWE HIGH SCHOOL

## Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021

### 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)

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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 2020	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1. Kisasi wood works	200,000.00	2019		200,000.00	200,000.00	
2. Makueni steel fabricators	171,500.00	2019		171,500.00	171,500.00	
3. Mwokozi publishers	191,460.00	2019		191,460.00	191,460.00	
<b>Sub-Total</b>	<b>562,960.00</b>			<b>562,960.00</b>	<b>562,960.00</b>	
<b>Supply of goods</b>						
1. Archteken Enlances	667,600.0	2019	520,100.00	667,600.00	147,500.00	
2. Jaresda Supplies	165,147.00	2019		165,147.00	165,147.00	
3. Economy Stores	11,070.00	2019		11,070.00	11,070.00	
4. Muthebwa Investments	17,000.00	2019	5,000.00	12,000.00	12,000.00	
5. Aspet School Supplies	317,587.00	2019	200,000.00	117,587.00	117,587.00	
6. Kalelab Supplies	216,335.00	2019	0.00	216,335.00	216,335.00	
7. Home Healthy Ed services	75,000.00	2019	75,000.00	75,000.00	75,000.00	
8. Felix Muthini	7,000.00	2019	7,000.00	7,000.00	7,000.00	
9. Samograph Clouds	25,000.00	2019	25,000.00	25,000.00		
10. Luminous Printers	9,500.00	2019	9,500.00	9,500.00		

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11. Matheka Printers	15,000.00	2019	15,000.00	15,000.00		
12. Penzi Publishers	9,000.00	2019	9,000.00	9,000.00		
13. Top Grade Promotions	10,000.00	2019	10,000.00	10,000.00		
14. Suti Sackness	81,000.00	2019	81,000.00	81,000.00		
15. Kim Tec Services	50,000.00	2019	50,000.00	50,000.00		
16. Nssf	31,000.00	2019	31,000.00	<b>31,000.00</b>		
17. Robert Kalanzo	90,000.00	2019	90,000.00	<b>90,000.00</b>		
18. Benson Mulwa	48,000.00	2019	48,000.00	48,000.00		
19. Super Dynamic	20,500.00	2019	20,500.00	20,500.00		
20. Rachael Nzioka	10,000.00	2019		10,000.00		
21. Bonsiv Enterprises	45,400.00	2019		45,400.00		
Sub total	244,900.00		189,500	244,900.00		
<b>Grand total</b>	<b>2,484,099.00</b>		<b>1,263,500</b>	<b>2,484,099.00</b>	<b>1,232,599.00</b>	

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

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Opening stock b/f 1<sup>st</sup> January 2020</b>	<b>Additions during the year</b>	<b>Disposals during the year</b>	<b>Closing stock c/f 30<sup>th</sup> June 2021</b>
Land 1						
Land 2 kambi mawe boys		<b>Kikumini 1183</b>	<b>01</b>			<b>01</b>
Buildings and structures	<b>2012-2023</b>		<b>100</b>			<b>100</b>
Motor vehicles			<b>00</b>			<b>00</b>
Office equipment, furniture and fittings	<b>2012-2023</b>		<b>979</b>			<b>979</b>
ICT Equipment, and Other ICT Assets	<b>2021-2023</b>		<b>10</b>			<b>10</b>
Tools and apparatus	<b>2012-2023</b>		<b>2,491</b>			<b>2,491</b>
Textbooks	<b>2016-2023</b>		<b>9,024</b>			<b>9,024</b>
Other Machinery and Equipment	<b>2015-2023</b>		<b>193</b>			<b>193</b>
Heritage and cultural assets			<b>00</b>			<b>00</b>
Intangible assets- soft ware			<b>00</b>			<b>00</b>
<b>Total</b>			<b>12,798</b>			<b>12,798</b>