

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	10 APR 2022
	DAY: THURSDAY
TABLED BY:	HON. SILVANUS OSORO, MP MAJORITY PARTY WHIP
CLERK-AT-THE-TABLE:	INZOFU MIKALE

OF

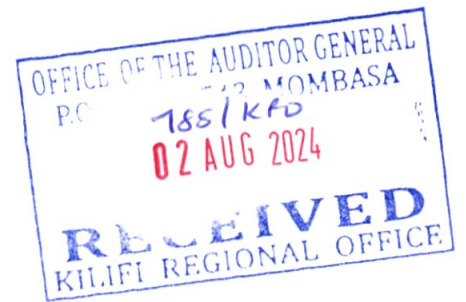
THE AUDITOR-GENERAL

ON

KABIANGA HIGH SCHOOL

**FOR THE YEAR
ENDED 30 JUNE, 2022**

KERICHO COUNTY



KABIANGA HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

KABIANGA HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

KABIANGA HIGH SCHOOL
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For the year ended 30th June 2022

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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 Kericho County, Belgut Sub-County

The school was registered in 30TH September, 2020 under registration number 035/S/3000/0812/2020 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 2423 number of students as at 30th June 2022. It has 45 streams and 82 teachers of which 14 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. Lazarus Koech	Chairman	15TH MARCH 2022
2	Dr. Joash Aloo PhD	Secretary - Principal	15TH MARCH 2022
3	Dr.Kibet Ngeno	Member –Special Intrest	15TH MARCH 2022
4	Dr. George Got	Member- PA Rep	15TH MARCH 2022
5	Dr. Stephen Oluoch	Member - PA Rep	15TH MARCH 2022
6	Prof. Issa Mwamzandi	Member- PA Rep	15TH MARCH 2022
7	Dr. Julius Okora	Member	15TH MARCH 2022
8	Hon..Lady Justice Rachel Ngetich	Member -Community	15TH MARCH 2022
9	Ms. Everyne Maritim	Member Rep Teachers	15TH MARCH 2022
10	Ms. Josphine Chepngetich Ms. Valorine Chemutai Dr. Mary Wosyanju	Member -Community Member -Community Member -CEB	15TH MARCH 2022
11	Mr. Hillary Kipngetich Bii	Member - Community	15TH MARCH 2022
12	Dr. Samwel Tororei	MemberSpecial Needs	15TH MARCH 2022
13.	Mr. Christopher Otieno	Rep Students	15TH MARCH 2022

KEY SCHOOL INFORMATION AND MANAGEMENT

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	MR. LAZARUS KOECH	CHAIRMAN	3 out of 3
			VICE CHAIRMAN	3 out of 3
		DR. KIBET NGENO	CHAIRMAN	3 out of 3
		DR. JOASH ALOO	SECRETARY	3 out of 3
		PROF. ISSA MWAMZANDI	PA CHAIRMAN	3 out of 3
		HON. JUSTICE RACHEL NG'ETICH	MEMBER	3 out of 3
2	Audit Committee	DR. OLUOCH STEPHEN	CHAIRMAN	1 out of 1
		MR. HILLARY BII	MEMBER	1 out of 1
		PROF. ISSA MWAMZANDI	MEMBER	1 out of 1
3	Finance, procurement and general purposes Committee	Dr. George Got	Chair	3 out of 3
		Dr. Joash Aloo	Secretary	3 out of 3
		Dr. Kibet Ngeno	Member	3 out of 3
		Dr. Samwel Torerei	Member	2 out of 3
4	Academic Committee	Prof. Issa Mwamzandi	Chair	3 out of 3
		Dr. Joash Aloo	Secretary	3 out of 3
		Dr. Mary Wosyanju	Member	3 out of 3
		Dr. Julius Okora	Member	3 out of 3
5	Development Committee	Ms. Valorine Chemutai	Chair	3 out of 3

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		Mr. Lazurus Koech Dr. Joash Aloo Ms. Josephine Chepngetich Prof. Issa Mwamzandi Mr. Ayieko Dennis	Member Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
6	Discipline and welfare Committee	Dr. Mary Wosyanju Dr. Joash Aloo Hon Lady Justice Rachel Ngetich Ms. Evalyne Maritim Mr. Christopher Otieno	Chair Secretary	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
7	Adhoc Committee (if any during the year)	Mr. Peterson Osunga Mr. Thomas Wanjala Mr. Dennis Ayieko Mr. Dennis Korir Mr. Fredrick Onduru Ms. Sarah Ndumi	Chair Secretary Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

(d) School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Dr. Joash Aloo	388898
2	Deputy Principal	Mr. Dennis Ayieko	425876
3	School Bursar	Mr. Dennis Korir	22205845
4	Accounts Clerk	Chepkwony Robert	28404835

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 18-20201 Kabianga
Telephone: 0711543687
E-mail: KabiangaSchool2015@gmail.com
Website: Kabiangaschool@info
Facebook:
Twitter:

(f) School Bankers

The following school operated 7 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB
Branch: KERICHO
Account Number: 1103489127
2. Name of Bank: KCB
Branch: KERICHO
Account Number: 1102299812
3. Name of Bank: KCB
Branch: KERICHO
Account Number: 1103523791
4. Name of Bank: KCB
Branch: KERICHO
Account Number: 1103521926
5. Name of Bank: EQUITY
Branch: KERICHO
Account Number: 0280290950527
6. Name of Bank: EQUITY
Branch: KERICHO
Account Number: 0280299082973
7. Name of Bank: KCB
Branch: KERICHO
Account Number: 1164934813
8. Name of Bank: KCB
Branch: KERICHO
Account Number: 1288315473

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9. MPESA Pay Bill No. 522123 attached to 1103489127 bank account

(g)Independent Auditors

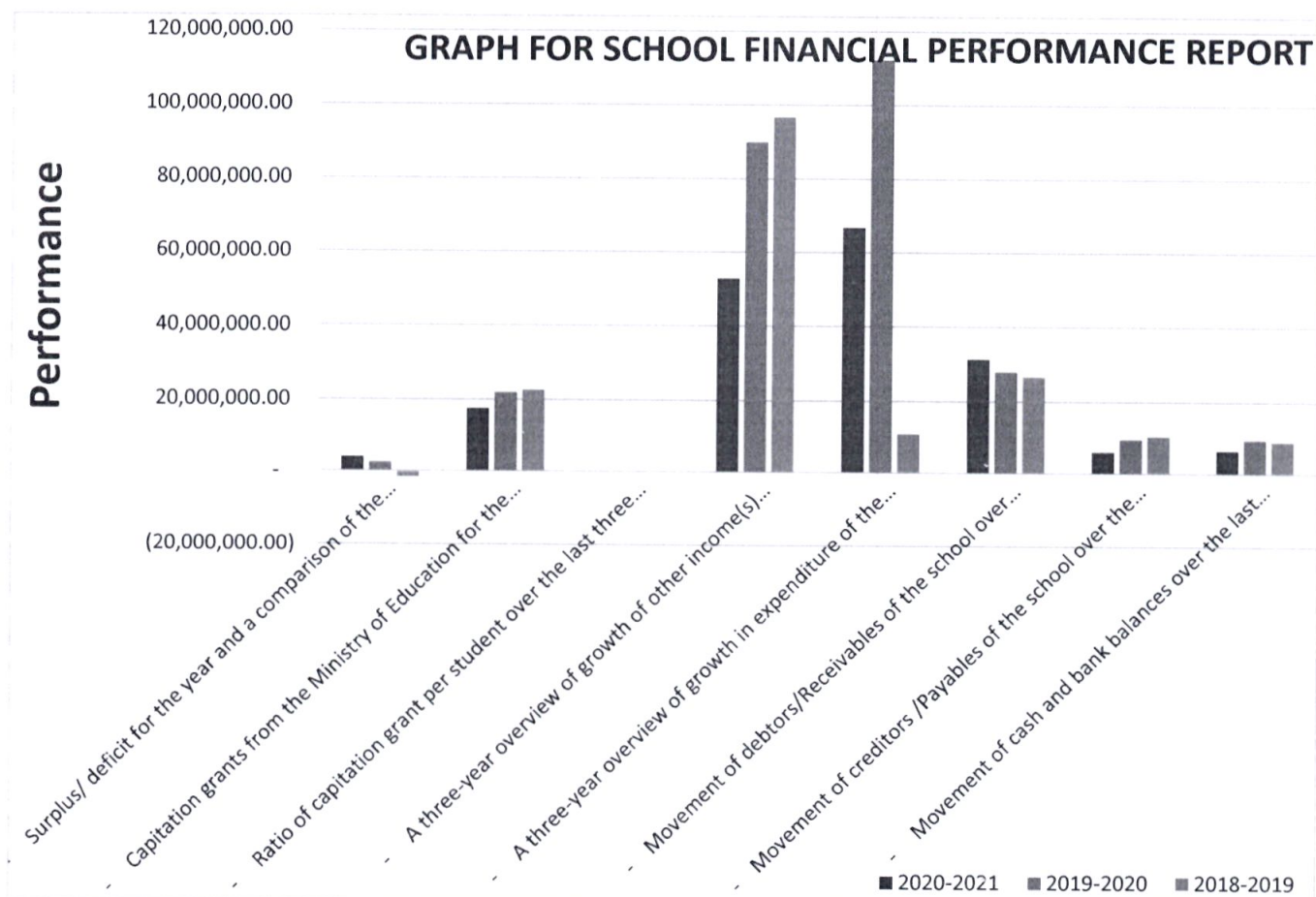
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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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:	2021-2022	2020-2021	2019-2020
- Surplus/ deficit for the year and a comparison of the same for the last three years	7,383,735.10	(1,229,193.20)	2,493,946.95
- Capitation grants from the Ministry of Education for the last three years	38,741,555.00	17,224,352.25	21,950,114.00
- Ratio of capitation grant per student over the last three years	18,503.82	8,363.13	12,133.84
- A three-year overview of growth of other income(s) earned by the school.	205,993,589.11	72,357,639.80	89,841,716.60
- A three-year overview of growth in expenditure of the school	198,609,854.01	74,579,598.00	112,167,883.65
- Movement of debtors/Receivables of the school over the last three years	38,193,792.00	31,325,053.00	27,943,080.00
- Movement of creditors /Payables of the school over the last three years	5,357,800.00	6,039,319.80	9,701,507.00
- Movement of cash and bank balances over the last three years	5,390,754.64	6,459,988.34	9,570,448.74



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a) **Teacher Student ratio:**

	2022	2021	2020
b) Teacher Student ratio:			
The teacher to student ratio	1:29	1:28	1:29
Number of teachers recruited and posted to the school within the year	2	4	7
Number of teachers that were transferred/ retired during the period	6	6	3
Number of teachers employed by TSC	73	73	61
Number of teachers employed by BOM.	14	9	10
Number of teachers the school has for each subject in order to indicate shortage/ allocation of resources			
	NO.of	NO.of	NO.of
SUBJECTS	Teachers	Teachers	Teachers
KISWAHILI/HISTORY	2	3	
ELECTRICITY	1	1	1
AVIATION	1	1	
BIOLOGY/CHEMISTRY	3	3	2
ENGLISH/LITERATURE	1	1	3
KISWAHILI/CRE	2	1	2
MATHS/PHYSICS	2	2	2
FRENCH/ENGLISH	1	1	1
AGRICULTURE/BIOLOGY	1	1	1
GEOGRAPHY/MATHS	3	1	1
PHYSICS/CHEMISTRY	1	1	2
HISTORY/CRE	2	2	1
BUSINESS /GEOGRAPHY	2	2	1
MATHS/CHEMISTRY	2	-	-
BUSINESS/MATHS	1	-	-
DRAWING AND DESIGN	2	-	-
COMPUTER/MATHS	-	-	2
KISWAHILI/GEOGRAPHY	-	-	1
MATHS/BIOLOGY	-	-	2
BIOLOGY/GEOGRAPHY	-	-	1
	27	20	23
c) Mean score in the 2021 KCSE:			
performance of the school for each over the last three years			
No. of students that have since transitioned to institutions of higher learning.	N/A	336	276
Mean score		9.3467	8.996774

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comment on improvement or otherwise as compared to the school's set score.	N/A	+0.35	+1.236
set score of c and above		349	302
d) Number of Candidates in the 2021 KCSE:			
Number of candidates sitting for KCSE over the last three years.	482	349	310
e) Capacity of the school:			
Number of students in the school	2423	2083	1814
Dormitories	16	12	12
Dinning hall,	1	1	1 -
laboratories,	4	4	4
Toilets	60	50	50
Land with legal ownership	Land title available	Land title available	Land title available -
Other amenities.	1	1	1

F). Development projects carried out by the school:

PROJECT	SOURCE OF FUND	INITIAL COST	AMOUNT SPENT	EXPECTED COMPLETION TIME
CONSTRUCTION OF TWO STOREY CLASSROOMS(BELSOT CONTRACTORS)	M.I	15,338,260.00	12,968,460.00	1 ST SEPTEMBER 2022
CONSTRUCTION OF TWO STOREY DORMITORY(PRAMIGO HOLDING)	M.I	14,989,370.00	12,037,370.00	1 ST JULY 2022

KABIANGA HIGH SCHOOL
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Sign



School Principal

CHIEF PRINCIPAL
KABIANGA HIGH SCHOOL
18 JUL 2022
TEL: 052-72021
P.O. Box 18-20201, KABIANGA


III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

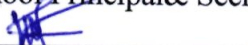
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

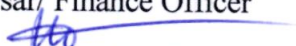
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of KABIANGA 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 30th June, 2022, and of the school's financial position as at that date.

Name: Mr. Lazurus Koech
Designation: Chairman, School Board of Management
Sign: 
Date: 18/07/2022

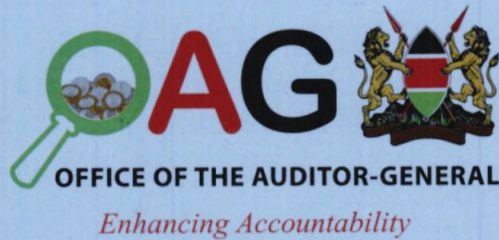
Name: Dr. Joash Aloo PhD
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 18/07/2022

Name: Mr. Korir Dennis
Designation: Bursar/ Finance Officer
Sign: 
Date: 18/07/2022



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KABIANGA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KERICHO COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kabianga High School - Kericho County set out on Pages 1 to 16, which comprise of the statement of assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows

and summary 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 Kabianga High School - Kericho County as at 30 June, 2022, 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 the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Receipts

The statement of receipts and payments reflects school fund income - other receipts of Kshs.32,744,568 as disclosed in Note 4 to the financial statements. However, the reported income was not supported with detailed schedules of the incomes and issued student invoices.

In the circumstances, the accuracy and completeness of school fund income - other receipts amount of Kshs.32,744,568 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.5,390,755 which includes bank balances totalling to Kshs.5,380,455 as disclosed in Note 8 to the financial statements. However, the bank balances were not supported cash books and bank reconciliation statements.

In the circumstances, the accuracy, completeness and existence of bank balance of Kshs.5,390,755 could not be confirmed.

3. Accounts Receivables

3.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.38,193,792 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.38,193,792 could not be confirmed.

3.2 Long Outstanding Account Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.38,193,792 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.28,543,965 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 receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.38,193,792 could not be confirmed.

4. Unsupported Fixed Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.646,935,610 in respect of fixed assets balance as at 30 June, 2022. However, the asset register maintained by the School had not been updated to include all assets and also did not reflect the assets historical costs.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.646,935,610 could not be confirmed.

5. Unsupported Inventory Balances

Note 17 to the financial statements reflects stock/inventory balance of Kshs.6,954,904 as at 30 June, 2022. However, the inventory balance was not supported by stock take certificates and stock valuation reports.

In the circumstances, the accuracy, completeness and existence of stock/inventory balance of Kshs.6,954,904 could not be confirmed.

6. Inaccuracies in the Financial Statements

The statement of budgeted versus actual amounts reflects actual receipts of Kshs.156,464,726 while the statement of receipts and payments reflects actual receipts of Kshs.202,993,589 resulting in a variance of Kshs.46,528,864. Similarly, the statement of budgeted versus actual amounts reflects actual expenditure of Kshs.155,556,922 while the statement of receipts and payments reflects actual expenditure of Kshs.198,609,854 resulting in a variance of Kshs.43,052,932. The variances have not been reconciled.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kabianga High School. Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.200,412,316 and Kshs.156,464,726 respectively, resulting to an under-funding of Kshs.43,947,590 or 22 % of the budget. However, the School spent a balance of Kshs.155,556,922 against actual receipts of Kshs.156,464,726, resulting to an under-utilization of Kshs.907,803 or 1 % of actual receipts.

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

My opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the 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 procedures performed, except for the matter 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. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed six hundred and seven (607) books to the School while only five hundred and fifty nine (559) books were issued to the students, resulting to an unexplained deficit text books of thirty eight (38) books in the School store.

In the circumstances, value for money on the excess thirty eight (38) text books could not be confirmed.

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.8,057,558 and Kshs.30,683,997, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand, six hundred and seventy-five (1,675) students while the enrolment records provided by the School indicated a total number of two thousand and eighty-eight (2,088) students, resulting to an unexplained variance of 413 students. As a result of the variances, the School was under funded by an amount of Kshs.10,783,872

In the circumstances, the under-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.38,741,555. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial period 2021/2022, NEMIS reflected one thousand, six hundred and seventy-five (1,675) students while records from the County Director of Education had two thousand four hundred and twenty three (2,423) students, resulting to an underfunding of the School by an amount of Kshs.10,783,872. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 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. Failure to Prepare School Improvement Plan

During the year/period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three (3) year school improvement planning cycle, one (1) priority area in each of the four (4) 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 Policy Guidelines.

5. Unsupported Fixed Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.773,931,664 in respect of fixed assets balance as at 30 June, 2023. However, the asset register maintained by the School had not been updated to include all assets and also did not reflect the assets historical costs.

In the circumstances, the accuracy and completeness of the non-current assets balance of Kshs.773,931,664 could not be confirmed

6. Irregular Prequalification of Suppliers

During the year under review, Management identified thirty-seven (37) categories of goods and services and prequalified a number of suppliers for each category. However, it was noted that twenty-six (26) out of thirty-seven (37) categories of goods and services had fewer than three (3) suppliers, contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015, which states that requests shall be given to as many persons as necessary to ensure effective competition and shall be given to at least three (3) persons, unless that is not possible. No justification was provided as to why the number of registered suppliers for these categories was below the threshold of the regulations.

In the circumstances, Management was in breach of the law, and the competitiveness of the procurement could not be ascertained.

7. Over-representation in the Board of Management

The audit revealed that the County Director of Education and the TSC County Director attended Board meetings alongside the nominated representative from the County Education Board as per Section 20(1)(b)(d) of the Basic Education Act, 2013. Their presence constituted over-representation in the Board of Management, as the County Education Board was already represented through the nominated persons.

Additionally, it was observed that, other than the teacher elected to represent the teaching staff, two (2) additional teachers namely, the Deputy Principal Academics and the Deputy Principal Administration sat on the Board of Management. This is contrary to legislation Section 56(1)(c) of the Basic Education Act, 2013, which states that the teaching staff will elect one (1) representative to the Board of Management.

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

The audit was conducted in accordance with the 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.646,935,610 in respect of fixed assets which includes land with a balance of Kshs.97,000,000. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed land assets valued at Kshs.97,000,000 could not be confirmed.

2. 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), 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 addition, the School's Board of Management had also not established a discipline, ethics and integrity committee and Human Rights and Student Welfare Committee contrary to Section 61(2) of the Basic Education Act, 2013

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

3. Lack of Approved ICT Policy

Review of the School ICT environment revealed that there was no formal approved ICT policy in place. Further, the School does not have a data security and disaster recovery plan in place. In addition, Management did not provide an ICT organization structure for audit review.

In the circumstances, the security and reliability of the School's data including the management information system could not be confirmed.

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

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 January, 2025

KABIANGA HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	2020-2021 Kshs
RECEIPTS			
Capitation grants for tuition	1	8,057,557.80	2,371,679.25
Capitation grants for operations	2	30,683,997.20	14,852,673.00
School Fund Income- Parents' Contributions	3	134,507,466.00	40,349,648.00
School Fund Income- Other receipts	4	32,744,568.11	14,783,639.55
Proceeds from borrowings			
TOTAL RECEIPTS		205,993,589.11	72,357,639.80
PAYMENTS			
Payments for Tuition	5	6,926,757.00	2,511,727.00
Payments for operations	6	33,787,775.95	17,040,352.10
Boarding and school fund payments	7	157,895,321.06	54,034,753.90
TOTAL PAYMENTS		198,609,854.01	73,586,833.00
SURPLUS/DEFICIT		<u>7,383,735.10</u>	<u>(1,229,193.20)</u>

The school financial statements were approved on **18/07/2022** and signed by:

Sign: 

Name
Mr. Lazurus Koech
 Chair BOM

Date 18/07/2022

Sign 

Name
Dr. Joash Aloo PhD
 School Principal/
 Secretary to BOM

Date 18/07/2022



Sign
 Name
Mr. Korir Dennis
 Bursar/
 Finance Officer

Date 18/07/2022

CHIEF PRINCIPAL
KABIANGA HIGH SCHOOL
18 JUL 2022
 TEL: 052-72021
 P. O. Box 18-20201, KABIANGA

KABIANGA HIGH SCHOOL
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	5,380,454.64	6,455,888.34
Cash Balances	9	10,300.00	4,100.00
Total Cash and cash equivalent		<u>5,390,754.64</u>	<u>6,459,988.34</u>
Account's receivables	11	38,193,792.00	31,325,053.00
TOTAL FINANCIAL ASSETS		43,584,546.64	37,785,041.34
FINANCIAL LIABILITIES			
Accounts Payables	12	(9,617,983.00)	(11,202,212.80)
NET FINANCIAL ASSETS		33,966,563.64	26,582,828.54
REPRESENTED BY			
Accumulated Fund b/fwd		26,582,828.54	27,812,021.74
Surplus/Deficit for the year		7,383,735.10	(1,229,193.20)
NET FINANCIAL POSITION	13	33,966,563.64	26,582,828.54

The School's financial statements were approved on 18/07/2022 and signed by:

Name: Mr. Lazurus Koech
 Chairman, BoM

Sign: 

Date: 18/07/2022

Name: Dr. Joash Aloo PhD
 School Principal/Secretary
 to BoM

Sign: 

Date: 18/07/2022

Name: Mr. Korir Dennis
 Bursar/Finance

Sign: 

Date: 18/07/2022



KABIANGA HIGH SCHOOL
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	8,057,557.80	2,371,679.25
Capitation grants for operations	2	30,683,997.20	14,852,673.00
School fund income- Parents contributions/ fees	3	122,475,834.00	31,935,769.00
School fund income- other receipts	4	32,744,568.11	14,783,639.55
Total receipts		193,961,957.11	63,943,760.80
Payments			
Payments for Tuition		8,138,757.00	2,292,492.00
Payments for operations		31,155,710.75	14,474,417.30
Boarding and school fund payments		155,736,723.06	50,287,311.90
Total payments		195,031,190.81	67,054,221.20
Net cash flow from operating activities		(1,069,233.70)	(3,110,460.40)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash flows from Investing Activities		0	0
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		1,435,256.00	0
Repayment of principal borrowings		(1,435,256.00)	0
Net cash flow from financing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS		(1,069,233.70)	(3,110,460.40)
Cash and cash equivalent at BEGINNING of the year		6,459,988.34	9,570,448.74
Cash and cash equivalent at END of the year		5,390,754.64	6,459,988.34

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

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
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Teaching / learning materials	9,696,960.00		9,696,960.00	8,063,000.55	1,633,959.45	83
(2) CAPITATION GRANT ON OPERATIONS						
Other voteheads	21,996,000.00		21,996,000.00	20,014,997.20	1,981,002.80	91
Repairs and maintenance	11,700,000.00		11,700,000.00	10,632,000.00	1,068,000.00	91
Medical/insurance	4,680,000.00		4,680,000.00	0	4,680,000.00	0
Activity	3,510,000.00		3,510,000.00	0	3,510,000.00	0
(3) FEES CHARGED ON PARENTS						
Other voteheads	48,743,994.00		48,743,994.00	46,282,795.00	2,461,199.00	95
Repairs and maintenance	6,472,352.00		6,472,352.00	6,076,210.00	396,142.00	94
Activity	2,354,572.00		2,354,572.00	2,346,866.00		100
Fee on Boarding Equipment and Stores	88191238.00		88,191,238.00	61,535,930.00	26,655,308.00	70
OTHER INCOME						
EDIS sacco	1,200,000.00		1,200,000.00	497,500.00	402,500.00	41
NHIF	432,000.00		432,000.00	194,650.00	237,350.00	45
NSSF	1,020,000.00		1,020,000.00	532,608.00	487,392.00	52
WELFARE	73,200.00		73,200.00	61,300.00	11,900.00	84
KESFIS sacco	342,000.00		342,000.00	226,869.00	115,131.00	66
TOTAL INCOME	200,412,316.00		200,412,316.00	156,464,725.75	43,947,590.25	78

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Annual Report and Financial Statements
For the year ended 30th June 2022

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
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	9,696,960.00		9,696,960.00	6,924,707.00	72,253.00	71
(2) EXPENDITURE FOR OPERATIONS						
Other voteheads	21,996,000.00		21,996,000.00	19,857,985.00	2,138,015.00	90
Repairs, maintenance & improvements	11,700,000.00		11,700,000.00	10,632,000.00	1,068,000.00	91
Medical/insurance	4,680,000.00		4,680,000.00	550,867.00	4,129,133.00	12
Activity Expenses	3,510,000.00		3,510,000.00	0	3,510,000.00	0
(3) EXPENDITURE FOR SCHOOL FUND						
Other voteheads	48,743,994.00		48,743,994.00	47,231,383.00	1,512,611.00	97
Repairs, maintenance and improvements	6,472,352.00		6,472,352.00	5,132,431.00	1,339,921.00	80
Activity	2,354,572.00		2,354,572.00	2,375,136.00	(20564.00)	101
Boarding Equipment and Stores	88,191,238.00		88,191,238.00	61,339,486.00	26,851,752.00	70
EDIS sacco	1,200,000.00		1,200,000.00	497,500.00	702,500.0	41
NHIF	432000.00		432,000.00	194,650.00	237,350.00	45
NSSF	1020000.00		1020000.00	532,608.00	487,292.00	52
WELFARE	73,200		73,200	61,300.00	11,900.00	84
KESFIS sacco	342,000		342,000	226,869.00	115,131.00	66
TOTALS	200,412,316.00		200,412,316.00	155,556,922.00	44,855,394.00	78

- 1)The budget below 90% was due to increase in general school population during the year,thus such implication to most voteheads.
- 2)Only on activity vote,there was utilization above 100% since at course of the year,there was no much activities that took place.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 5. Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
- 6. Accounts Payable**
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
- 7. Non-current assets**
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
- 8. Budget**
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.
- 9. Comparative figures**
Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.
- 10. Subsequent events**
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Teaching / learning materials	8,057,557.80	2,371,679.25
Total	8,057,557.80	2,371,679.25

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Maintenance and Improvement	10,632,000	6,816,000.00
Others voteheads	20,014,997.20	8,036,673.00
Rent	37,000.00	
Total	30,683,997.20	14,852,673.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Others	48,332,595.00	15,432,910.00
Boarding equipment and stores	74,298,850.00	23,440,568.00
Maintenance & Improvement	6,076,210.00	1,016,277.00
Activity	2,346,866.00	459,893.00
B.O.M teachers	3,452,945.00	-
Total	134,507,466.00	40,349,648.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Rent income	1,159,844.00	473,500.00
Development	18,611,108.00	4,897,005.00
Salary advance	547,000.00	25,000.00
PA/Welfare	1,142,699.00	0
Income from Bus Hire	71,000.00	0
Fees Refund	0	5,252,435.00
Teachers trip		592,000.00
Tender	155,000.00	0
CBC Training	426,300.00	0
Farm Income	10,631,617.11	3,543,699.55
Total	32,744,568.11	14,783,639.55

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Teaching / learning materials	6,924,707.00	2,510,995.00
Bank Charges	2,050.00	732.00
Total	<u>6,926,757.00</u>	<u>2,511,727.00</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Rent	59,500.00	
Other voteheads	19,857,985.00	7,437,979.00
Repairs and maintenance & improvements	13,262,809.20	9,496,234.80
Medical/insurance	550,867.00	102,961.00
Bank Charges	56,614.75	3,177.30
TOTAL	33,787,775.95	17,040,352.10

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	Kshs	Kshs
Fees refund	0	5,252,435.00
Development cost	18,603,919.00	7,034,590.00
Repairs and maintenance & Improvements	5,132,431.00	1,000,000.00
Activity	2,375,136.00	45,700.00
Medical Expenses	0	245,904.00
Other voteheads(It&t,adm.,ew&c and p.e)	47,231,383.00	12,769,040.00
Boarding equipment and stores	61,375,486.00	16,445,162.00
Bank Charges	27,404.35	10,412.70
B.o.m teachers' salaries	2,565,330.00	0
Rent Expenses	2,037,410.00	425,850.00
Insurance Cost (Life Property)	690,750.00	404,694.00
Teachers trip		1,789,500.00
P.A account	1,116,490.00	0
Service gratuity	0	91,404.00
Tender	220,666.00	0
Salary advance	457,000.00	115,000.00
Fees prepayment	5,162,893.00	5,031,906.00
CBC Training	426,300.00	
Bus expense	65,000.00	0
Farm Expenses	10,407,722.71	3,373,156.20
TOTAL	<u>157,895,321.06</u>	<u>54,034,753.90</u>

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account		14,417.55	95,616.75
Operations Account		16,948.00	489,677.05
School Fund Account/Boarding		1,652,657.94	1,992,106.29
Savings Account		3,190,825.65	3,625,101.65
Parent Association Development Account		26,209.00	0
Income generating activities Account		455,593.16	230,598.76
Infrastructural Account		23,803.34	22,787.84
Total		5,380,454.64	6,455,888.34

9 CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
Farm account	500.00	2,500.00
School Fund account	9,800.00	1,600.00
Total	10,300.00	4,100.00

10 SHORT TERM INVESTMENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	38,193,792.00	31,325,053.00
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
Total	38,193,792.00	31,325,053.00

[Include an ageing of the fees / non fees arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	9,649,827.00	4,221,441.00
Fees arrears for the previous year	4,221,441.00	3,297,818.00
Fees arrears for prior periods (over two years)	24,322,524.00	23,805,794.00
Total	38,193,792.00	31,325,053.00

12 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	5,357,800.00	6,039,319.80
Prepaid fees	4,260,183.00	5,162,893.00
Retention monies		
Total	9,617,983.00	11,202,212.80

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	5,357,800.00	6,039,319.80
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)		
Total	5,357,800.00	6,039,319.80

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	5,380,454.64	6,455,888.34
Cash balances	10,300.00	4,100.00
Receivables	38,193,792.00	31,325,053.00
Payables	(9,617,983.00)	(11,202,212.80)
Total	33,966,563.64	26,582,828.54

Other important disclosure notes

IPSAS 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	2021-2022	2020-2021
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total	0	0

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	31	1,860,000	1,550,000
Pigs	10	75,000	52,000
Trees	10,000	125,000	100,000
Coffee or tea plantation	120,000	1,200,000	1,200,000
Poultry	0	0	0
Total		3,260,000	2,902,000

16 Borrowings

Description	2021-2022	2020-2021
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	0	0
Borrowings during the year	1,435,256.00	0
Repayments of during the year	1,435,256.00	0
Balance at end of the year	0	0

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	4,853,230.00	926,615.00
Stock/ inventory purchased during the year	27,404,830.00	12,404,085.00
Stock/ inventory issued during the 23232	(25,303,156.00)	(8,477,470.00)
Balance at end of the year	6,954,904.00	4,853,230.00

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19 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 2022	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. BELSOT CONTRACTORS LTD	15338260	14/1/2022	12,968,460	2,369,800.00	2,369,800.00	ON PROGRESS
2. PRAMIGO HOLDINGS LTD	14989370	14/1/2022	12,037,370	2,952,000.00	2,952,000.00	ON PROGRESS
Sub-Total				5321,800.00	5321,800.00	
Supply of goods						
3. CARAN EAST AFRICA LTD	36,000			36,000.00	36,000.00	GOOD
4.						
5.						
Sub-Total					36,000.00	
Supply of services						
6.						
7.						
8.						
Sub-Total						
Grand Total					5,357,800.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1	1925	Kabianga	97,000,000.00	0	0	97,000,000.00
Land 2	-	-	-	-	-	-
Buildings and structures	1985	Kabianga	500,000,000.00	0	0	500,000,000.00
Motor vehicles	2008	Kabianga	18,000,000.00	0	0	18,000,000.00
Tractor	2013	Kabianga	1,500,000.00	0	0	1,500,000.00
Office equipment, furniture and fittings	1930	Kabianga	2,000,000.00	0	0	2,000,000.00
ICT Equipment, and Other ICT Assets	2001	Kabianga	1,500,000.00	0	0	1,500,000.00
Tanks	2005	Kabianga	10,500,000	0	0	10,500,000
Lpg Gas Tanks	2022	Kabianga	00.00	1,435,256.00	0	1,435,256.00
Tools and apparatus	1925	Kabianga	1,125,304.00	0	0	1,125,304.00
Textbooks	2021	Kabianga	10,415,000.00	2	0	10,415,000.00
Other Machinery and Equipment	1950	Kabianga	3,000,000.00	0	0	3,000,000.00
Intangible assets- soft ware	2020	Kabianga	460,050.00	0	0	460,050.00
Total	1925	Kabianga	645,500,354.00	1,435,256.00	0	646,935,610.00

(The School should ensure that a detailed fixed assets register is maintained).