


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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DATE: 11 MAR 2025	DAY. Tuesday
TABLED BY:	Hon. Owen Baya (Deputy Majority leader)
CLERK-AT THE-TABLE:	Getrude Chebet

**THE AUDITOR-GENERAL**

**ON**

**NDURURUMO HIGH SCHOOL**

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

**LAIKIPIA COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 10000, NAIROBI  
KENYA

23 SEP 2024

RECEIVED



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**NDURURUMO HIGH SCHOOL**

**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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**NDURURUMO HIGH SCHOOL  
PUBLIC SECONDARY SCHOOLS –  
Reports 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, 2015. It is located in LAIKIPIA County, NYAHURURU Sub-County

The school was registered in 30/07/2019 under registration number 31S30000342 and is currently categorized as an Extra County) public school established, owned or operated by the Government.

The school is a boarding school and had 1573 number of students as at 30<sup>th</sup> June 2021. It has 8 streams and 73 teachers of which 8 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, 2015 is composed of the following members:

<b>Ref :</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Mr. Peter Macharia	Chairman	1 <sup>st</sup> June 2019
2	Mr. Wilson Kamunya	Secretary - Principal	1 <sup>st</sup> June 2019
3	Ms. Eunice Ng'ang'a	Member	1 <sup>st</sup> June 2019
4	Mr. David Kaburu	Member	1 <sup>st</sup> June 2019
5	Ms. Martha Karanja	Member	1 <sup>st</sup> June 2019
6	Rev. Peter Njihia	Member	1 <sup>st</sup> June 2019
7	Mr. Michael Munene	Member	1 <sup>st</sup> June 2019
8	Dr. Patricia Gathia	Member – Rep CEB	1 <sup>st</sup> June 2019
9	Ms. Milka Gaita	Member Rep Teachers	1 <sup>st</sup> June 2019
10	Rev. Stephen Muraya	3 Members - Sponsor	1 <sup>st</sup> June 2019
11	Rev. Daniel Ugunyu		
12	Mr. Ezekiel Waithaka		
13	Mr. Patrick kinyua	Member - Community	1 <sup>st</sup> June 2019
14	Mr. Joseph K Lerina	Member Special Needs	1 <sup>st</sup> June 2019
15	Mr. Edward Kimari	Co-opted Member	1 <sup>st</sup> June 2019
16	Ms. Mary Gitahi	Co-opted Member	1 <sup>st</sup> June 2019
17	Rev. Samwel Nduati	Co-opted Member	1 <sup>st</sup> June 2019
18	Dennis Gitau	Rep Students	1 <sup>st</sup> June 2019

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**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**

*The names of the various committees of the Board established by the Board and the names of the committee members:*

<b>Ref</b>	<b>Name of Committee</b>	<b>Names of Members</b>	<b>Designation</b>	<b>Number of meetings attended during the year</b>
1	Executive Committee	1. Mr. Peter Macharia 2. Mr. Wilson Kamunya 3. Rev. Peter Njihia 4. Mrs. Martha Karanja 5. Mr. Paul Thairu	Chairman Secretary Member Member PA chair	4
2	Audit Committee	1. Ms. Eunice Ng'ang'a 2. Mr. Paul Thairu	Chairperson Member	1
3	Finance, procurement and general purposes Committee	1. Mr. Michael Munene 2. Mr. Peter Macharia 3. Ms. Martha Karanja 4. Mr. Patrick Kinyua 5. Mr. Paul Thairu 6. Rev. Samuel Nduati	Chairman Member Member Member PA Chairman	2

			Member	
4	Academic Committee	1. Ms. Martha Karanja 2. Ms. Milka Gaita 3. Dr. Patricia Gathia 4. Mr. Ezekiel M. Waithaka	Chairperson Member Member Member Member	3
5	Development Committee	1. Ms. Martha Karanja 2. Mr. Peter Macharia 3. Mr. Paul Thairu 4. Mr. Wilson Kamunya 5. Mr. James Macharia 6. Sub-County Director Of Education 7. Rev. Peter N. Kaberere	Chairperson BoM Chairman PA Chairman Principal Senior Deputy Principal BoM Member	2
6	Discipline and welfare Committee	1. Mr. David Kaburu 2. Ms. Eunice W. Ng'ang'a 3. Mr. Ezekiel W	Chairman Member Member	1
7	Adhoc Committee (if any during the year)	Mr. David Kaburu Mr. Wilson Kamunya Mrs. Eunice Ng'ang'a	chairman Secretary BoM Member	1

**(d) School operation Management**

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

Ref :	Designation	Name	TSC Number
1	Principal	Mr. Wilson Kamunya	262526
2	Deputy Principal(Administration)	Mr. James Macharia	279297
3	Deputy Principal(Academics)	Ms. Perpetua Mwangi	358019
4	Finance Officer	Mr. Erastus Nyamu	13543778

**NDURURUMO HIGH SCHOOL  
PUBLIC SECONDARY 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: 120  
Telephone: 0729129618  
E-mail: [ndururumo@gmail.com](mailto:ndururumo@gmail.com)

**(f) School Bankers**

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

1. Name Of Bank: Equity Bank Branch: Nyahururu Account Number: 0160260835447	6. Name Of Bank: Kenya Commercial Bank – (Tuition) Branch: Nyahururu Account Number: 1102123439
2. Name Of Bank: Kenya Commercial Bank Branch: Nyahururu Account Number: 1102142735	7. Name Of Bank: Kenya Commercial Bank – (Infrastructure) Branch: Nyahururu Account Number: 1212252810
3. Name Of Bank: Cooperative Bank Branch: Nyahururu Account Number: 01139501877500	8. Name Of Bank: Equity Bank –(Cdf) Branch: Nyahururu Account Number: 0160279494026
4. Name Of Bank: Absa Bank Branch: Nyahururu Account Number: 2022289813	9. Name Of Bank: Equity Bank (Gratuity) Branch: Nyahururu Account Number: 0160275941401
5. Name Of Bank: Kenya Commercial Bank - Operation Branch: Nyahururu Account Number: 1102142581	

(All bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

**(g) Independent Auditors**

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

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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:

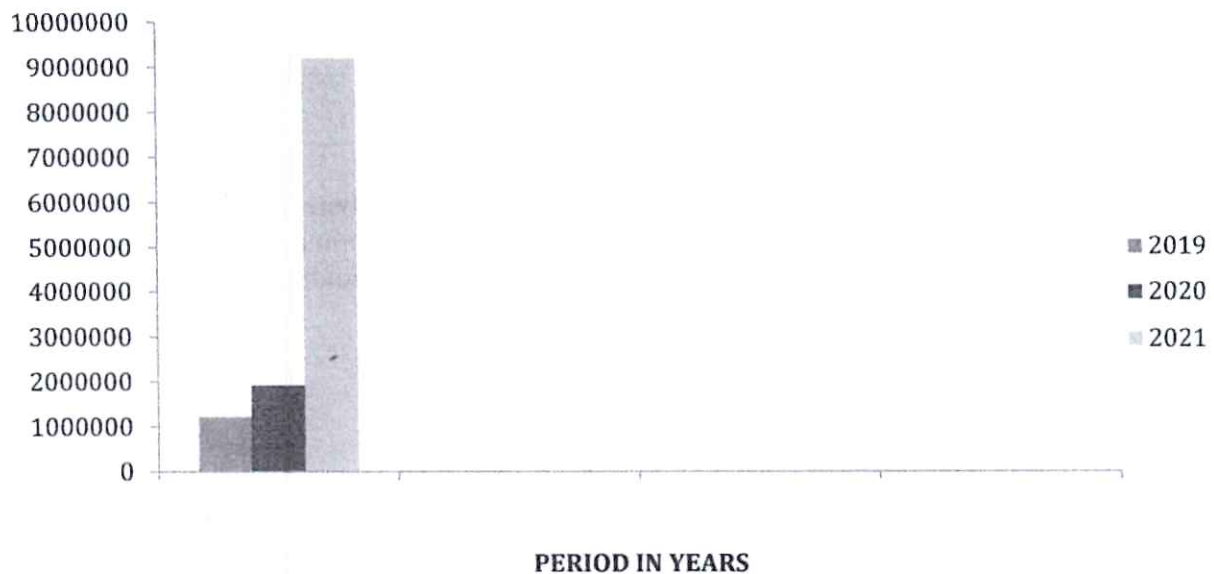
**a) Financial performance:**

The following are the key information of the performance of the school on key financial areas that includes:

**i. COMPARATIVE SURPLUS/DEFICIT FOR LAST 3 YEARS**

<b>Accounts</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Tuition	603,526.00	(669,972.00)	(432,236.00)
Operation	(162,768.60)	1,546,160.00	226,806.00
School Fund	4,607,610.00	4,485,297.25	3,506.25
Others	1,680,009.00	(3,444,879.00)	1,422,598.00
<b>Total</b>	<b>6,728,376.00</b>	<b>1,916,606.25</b>	<b>1,220,674.25</b>
Increase/Decrease %	311%	57%	

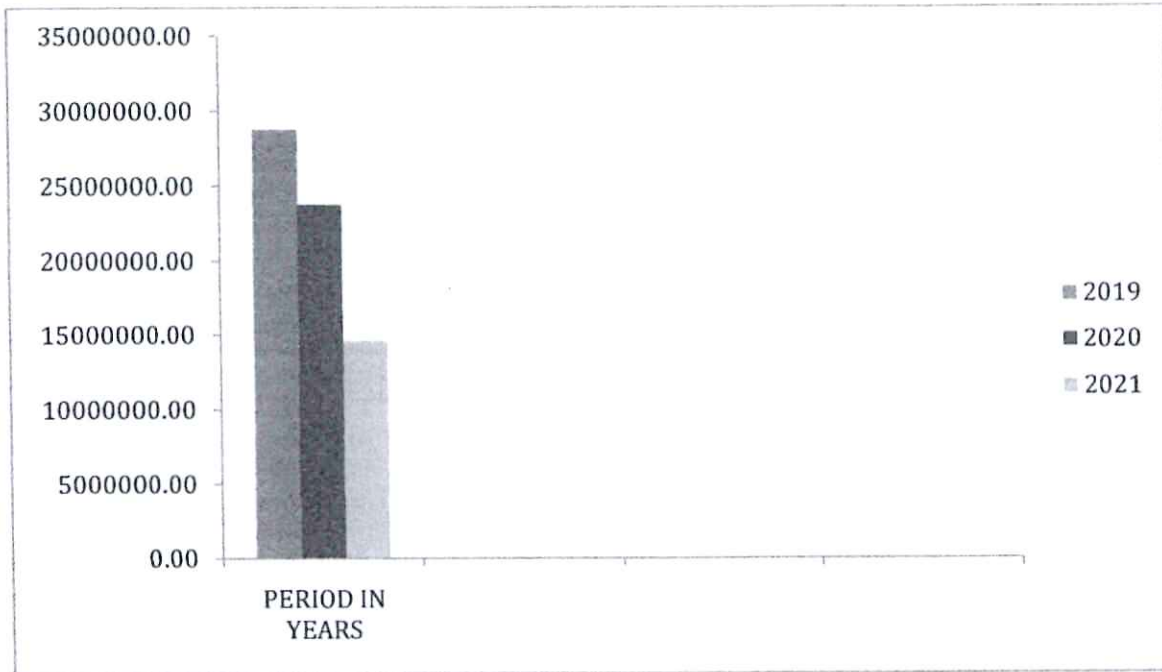
This can be represented in a bar chart as below.



The surplus for 2021 increased by 380% as compared to surplus of year 2020. This can be attributed to the change in academic calendar due to Covid-19. The change of the accounting method from the accrual to the current cash fund accounting and change of financial period positively affected the Surplus.

ii. **COMPARATIVE CAPITATION GRANTS RECEIVED FOR 3 YEARS**

<b>Accounts</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Tuition	2,640,079.25	5,770,201.00	8,104,026.06
Operation	11,507,204.00	17,989,525.00	20,651,488.00
<b>Total</b>	<b>14,147,283.25</b>	<b>23,759,726.00</b>	<b>28,755,514.06</b>
No. Of Students	1573	1451	1365
Ratio Per Student	1:9,287	1:16,374	1:21,066



The notable decrease in the amount of FDSE grants received is attributed to the effect of Covid-19 pandemic which led to closure of school in year 2020. The decrease in amount received in year 2021 as compared to previous years is as a result of the preparation of accounts for a period of 6 months as compared to 12 months on the other years

iii. **COMPARATIVE GROWTH OF OTHER INCOME FOR 3 YEARS**

<b>Accounts</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>Ksh</b>	<b>Ksh</b>	<b>Ksh</b>
Other income	5,076,657.00	2,730,000.00	4,903,421.00
Percentage(%) growth	85%	-40%	107%

iv. COMPARATIVE OVERVIEW OF EXPENDITURE GROWTH 3 YEARS

Accounts	2021	2020	2019
	Kshs	Kshs	Ksh
Tuition	2,640,079.00	6,440,173.00	8,536,262.06
Operation	11,507,204.00	16,452,365.00	20,747,256.20
School Fund	38,279,542.00	33,774,365.75	62,543,929.75
Others	1,680,009.00	6,224,882.00	2,754,141.00
<b>Total</b>	<b>54,106,834.00</b>	<b>62,891,785.75</b>	<b>94,581,589.01</b>
Increase (Decrease)	(8,784,951.00)	(31,689,803.26)	12,045,885.00
% Increase (growth)	-13%	-33.50%	14%

v. DEBTORS AND CREDITOR MOVEMENT

Accounts	2021	2020	2019
	Ksh	Ksh	Ksh
<b>Debtors</b>	6,129,214.00	5,555,570.00	2,453,157.05
Increase Decrease	573,644.00	3,263,521.00	1,045,694.00
Percentage(%) Change	10.3%%	133%	74%
	2021	2020	2019
	Ksh	Ksh	Ksh
<b>Creditors</b>	7,552,467.00	7,491,136.5	3,981,069.00
Increase Decrease	61,331.00	3,756,493.00	1,452,470.00
Percentage(%) Change	0.8%	94%	57%

vi. MOVEMENT OF CASH AND BANK BALANCES

Accounts	2021	2020	2019
	Kshs	Kshs	Ksh
Tuition	590,356.05	192,510.80	69,882.00
Operation	1,500,206.19	106,978.75	235,295.75
School Fund	4,467,800.50	(2,696,595.46)	(1,215,389.21)
Farm	3,466.00	3,466.00	(177,091.00)
Infrastructure	114,415.00	5,300.00	5,300.00
CDF	5,140.00	5,140.00	-
Gratuity	466,561.00	327,061.00	-
Cash	578,987.00	182,027.00	
<b>Total</b>	<b>7,144,477.74</b>	<b>(2,393,639.91)</b>	<b>(1,087,302.46)</b>
%tage change	398%	-120%	-

**b) Teacher Student ratio:**

*Includes the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.*

Teacher: student ratio	$\frac{1573}{65} = 1:24$
Teachers recruited or transferred to the school as from 01/06/2021	4
Teachers transferred from the school as at 01/06/2021	2
Retired teachers	2
Teachers employed by TSC	2
Teachers employed by BoM	8

**c) Mean score in the 2019-2020 KCSE:**

*Gives performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.*

Year	KCSE Meanscore	Grade	University C+ & Above	Diploma	Total	Remarks
2021	7.883	B-	284	65	349	Improved
2020	8.039	B-	274	58	332	Improved university intake
2019	7.713	B-	227	82	309	Improved

**d) Number of Candidates in the 2019-2021 KCSE:**

*Tabulate the number of candidates sitting for KCSE over the last three years.*

Year	No. of candidates
2021	349
2020	332
2019	309

**e) Capacity of the school:**

*Indicates the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.*

<b>Facility</b>	<b>No. Of Students</b>	<b>No. Available</b>	<b>Shortage</b>
Classrooms	1573	32	2
Laboratories	1573	6	2
Library	1573	1	1,500 capacity
Dining Hall	1573	1	1
Dorms	1573	6	2 of 700 capacity
Borehole	1573	0	1
Toilets	1573	117	14
Teachers Houses	1573	16	45
Water Reservoir	1573	3	2

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

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

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

**DEVELOPMENT PROJECT CARRIED OUT BY SCHOOL YEAR 2021**

<b>PROJECT</b>	<b>YEAR</b>	<b>COST</b>	<b>STATUS</b>	<b>SOURCE OF FUND</b>
1. 360 Capacity Storey Boys Dormitory	2020-2021	20,195,092.00	on-going	FDSE – M&I Parents
2. Bakery ROOM	2020 - 2021	915,950.00	Completed	Parents
3. Classroom	2020 - 2021	806,740.00	Completed	Parents
4. ICT Computers Lab (building only)	2020 - 2021	3,940,900.00	Completed	FDSE – M&I Parents
5. CCTV System	2020 - 2021	2,800,000.00	Completed	FDSE – M&I Parents
6. Bakery equipment	2020 - 2021	2,015,620.00	On-going	Parents

Sign



**PRINCIPAL**

**NDURURUMO HIGH SCHOOL  
PUBLIC SECONDARY 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 (*Name of 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).

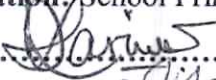
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 20XX, and of the school's financial position as at that date.

**Name:** REV. DR. SAMWEL NDUATI  
**Designation:** Chairman, School Board of Management

**Sign:** ..... 

**Date:** ..... 30/6/23

**Name:** MR. CHEGE KARIUKI  
**Designation:** School Principal & Secretary to Board of Management

**Sign:** ..... 

**Date:** ..... 30/6/23

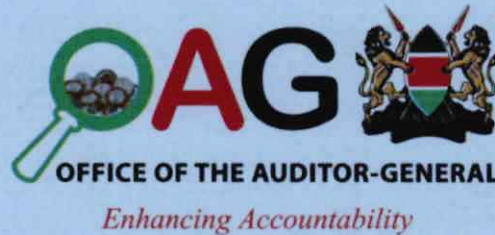
**Name:** ERASTUS M. NYAMU  
**Designation:** Finance Officer

**Sign:** ..... 

**Date:** ..... 30/6/23

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON NDURURUMO HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - LAIKIPIA COUNTY**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the 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 the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Ndururumo High School – Laikipia County set out on pages 15 to 32, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the 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 Ndururumo High School - Laikipia County as 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1. Unsupported and Long Outstanding Receivables**

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.6,129,214 which was not supported by fees arrears, non-fees receivables and salary advances schedules. Included in the balance are fees arrears amounting to Kshs.6,042,214 out of which Kshs.1,469,393 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. Further, no evidence of the effort made by the school management to recover the balances was provided for audit.

In the circumstances, the accuracy and full recoverability of the accounts receivables balance of Kshs.6,129,214 could not be confirmed.

### **2. Unsupported Tuition Payments**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects payments for tuition amount of Kshs.2,036,553. Included in the amount are sampled tuition payments amounting to Kshs.999,340 which were not supported with local purchase orders, invoices, delivery notes and stores receipt and issue notes.

In the circumstances, the accuracy and completeness of payments for tuition amount of Kshs.2,036,553 could not be confirmed.

### **3. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities and as disclosed under Note 12 reflects accounts payables balance of Kshs.7,552,467 which includes trade creditors balance of Kshs.5,149,486. However, the supporting documents for trade creditors including purchase and service orders, contract agreements and procurement documents for the individual bills were not provided for audit review.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.20,249,984 could not be confirmed.

#### 4. Inaccuracies in Capitation Grants

Review of the National Education Management Information System (NEMIS) capitation grants disbursements against the amount received by the School and amounts reported in the financial statements revealed the following variances:

##### 4.1 Variances Between NEMIS Amounts and School Received Amounts

Account	NEMIS amounts (Kshs.)	School Receipts/ Bank Statements (Kshs.)	Variance (Kshs.)
Capitation Grants for Tuition	2,370,373	1,853,138	(517,235)
Capitation Grants for Operations	18,643,615	18,346,729	(296,886)
Grants for Infrastructure	6,295,500	2,736,000	(3,559,500)

##### 4.2 Variances Between NEMIS Amounts and Financial Statements Amounts

Account	NEMIS amount (Kshs.)	Financial Statements (Kshs.)	Variance (Kshs.)
Capitation Grants for Tuition	2,370,373	2,640,079	269,706
Capitation Grants for Operations	18,643,615	11,507,204	(7,136,411)
Grants for Infrastructure	6,295,500	0	(6,295,500)

In the circumstances, the accuracy and completeness of capitation grants for tuition, operations and infrastructure amounts of Kshs.2,640,079 and Kshs.11,507,204 respectively could not be confirmed.

#### 5. Unsupported Biological Assets

Note 15 of the financial statements reflects a balance of Kshs.3,530,000 in respect to biological assets which includes cattle and trees. However, valuation reports, reconciliation statement for the carrying amounts of biological assets between the beginning and end of the year and farm registers were not provided for audit.

In the circumstances, the accuracy, completeness, and valuation of the biological assets balance of Kshs.3,530,000 could not be confirmed.

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

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

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements

## **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 effect of 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, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate

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

#### **2. Unconfirmed Student Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of Kshs.2,640,079 and Kshs.11,507,204 respectively. However, review of student enrolment data used in the sampled month of April, 2021 capitation for operations disbursements revealed variances. National Education Management and information System (NEMIS) records indicated one thousand, four hundred and thirty-one (1,431) students while enrolment record provided by the School

indicated a total of one thousand, five hundred and seventy-five (1,575) students contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021, which mandates that all learners be registered in NEMIS and that School principals ensure the accuracy of their records.

In the circumstances, the reliability of enrolment data used to determine capitation grants could not be confirmed and Management was in breach of the law.

### 3. Lack of Procurement Function

During the year under review, Management had not put in place a procurement function including the recruitment of a procurement officer, to assist in preparation of procurement documents, giving professional opinion on procurement process and provide guidance on general adherence to procurement laws. This was contrary to Section 45(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall establish systems and procedures to facilitate decision making for procurement and asset disposal.

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

### 4. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to the School through Kenya Institute of Curriculum Development (KICD), as analyzed below:

Title	No. of books received during the year	Number of students taking the subject	Excess books
Blossoms of the Savannah	694	686	8
Inheritance	694	0	694
A Doll's House	694	686	8
Chozi La Heri	694	686	8
Kigogo	694	686	8
Tumbo Lisiloshiba	694	686	8
The Pearl	694	686	8
Memories We Lost	694	0	694
<b>Total</b>	<b>5,552</b>	<b>4,116</b>	<b>1,436</b>

Examination of records revealed that the Institute distributed excess one thousand and thirty-six (1,436) books to the School which were unutilized in the School store.

In the circumstances, value for money on the excess one thousand and thirty-six (1,436) books could not be confirmed.

### 5. Unapproved Fees on Additional Parents' Contribution

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects Kshs.38,279,542 in respect to school fund income – parents

contributions. Whereas the government's annual authorized fee structure per student was Kshs.40,535, the school charged Kshs.55,554 per student which was more than the recommended amount by Kshs.15,019 contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme. Authority to charge extra levy and Board of Management minutes approving the additional fees were not provided for audit.

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

## **6. Failure to Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.11,507,204 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.6,295,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.2,736,000 was transferred to infrastructure account, leaving a balance of Kshs.3,559,500 as at 30 June, 2021. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

Further, Management failed to acknowledge receipt of the infrastructure funds by uploading an official receipt on the NEMIS platform contrary to Paragraph 3.6.2 of Ministry of Education Circular MOE.HQS/3/10/18/ (112) dated 15th November, 2022.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Data Protection Gaps in the School**

Audit review revealed significant gaps in the school's data protection practices related to its biometric systems for teacher attendance and student reporting. The School lacked a data protection policy, engaged in broad and excessive data collection and retained biometric and personal data long after students had left. Further, there were no valid consent documents explaining the reasons for data collection to parents, and the School had inadequate data security measures such as encryption, access controls, and regular security audits, leaving it vulnerable to breaches and unauthorized access. Additionally, there were no effective incident response mechanisms to detect, respond to, or notify data subjects of breaches.

In the circumstances, effectiveness over controls on the lawful, secure, and transparent handling of personal data by the School as per the Data Protection Act, 2019 could not be confirmed.

### **2. Lack of Valuation of Fixed Assets**

Annex 2 of the financial statements on summary of fixed assets register reflects a balance of Kshs.499,883,000 as the historical cost of fixed assets of the School. However, valuation report and the detailed fixed assets register reflecting assets details on; name, date of acquisition, cost, supplier, unique identification number, location and custodian, were not provided for audit.

In the circumstances, the existence of an effective internal controls in safeguarding the fixed assets 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 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 as going concern, disclosing, as applicable, matters related to going concern and using the going concern 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 overall control environment.

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

14 October, 2024

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

DESCRIPTION OF VOTE HEAD	Note	30 <sup>TH</sup> JUNE 2021	30 <sup>TH</sup> JUNE 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	2,640,079.25	5,770,201.00
Capitation grants for operations & Infrastructure	2	11,507,204.00	17,998,525.00
School Fund Income- Parents' Contributions	3	38,279,542.00	37,838,448.00
School Fund Income- Other receipts	4	1,680,009.00	5,010,218.00
<b>TOTAL RECEIPTS</b>		<b>54,106,834.00</b>	<b>66,617,392.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,036,553.00	5,647,573.00
Payments for operations	6	11,669,973.00	18,007,525.00
Boarding and school fund payments	7	33,671,931.00	43,455,073.00
<b>TOTAL PAYMENTS</b>		<b>47,378,457.00</b>	<b>67,110,171.00</b>
<b>SURPLUS/DEFICIT</b>		<b>6,728,376.00</b>	<b>(492,779.00)</b>

The school financial statements were approved on 31/08/2021 and signed by:

Chair BOM Name: REV. DR. SAMWEL NDUATI Sign.....  Date..... 30/6/23

Principal/Sec. BOM Name: MR. CHEGE KARIUKI Sign.....  Date..... 30/6/23

Finance Officer Name: ERASTUS M. NYAMU Sign.....  Date..... 30/6/23

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

The School's financial statements were approved on 31<sup>st</sup> August 2021 20XX and signed by:

	Note	30 <sup>TH</sup> JUNE 2021	30 <sup>TH</sup> JUNE 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	6,565,491.00	746,387.6
Cash Balances	9	578,987.00	182,027.00
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b><u>7,144,478.00</u></b>	<b><u>928,414.6</u></b>
Account's receivables	11	6,129,214.00	5,555,570.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>13,273,693.00</b>	<b>6,483,984.60</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	7,552,467.00	7,491,136.5
<b>NET FINANCIAL ASSETS</b>		<b>5,721,224.10</b>	<b>(1,007,151.90)</b>
<b>REPRESENTED BY</b>			
Fund balance bfwd 1 <sup>st</sup> July2020	13	(1,007,151.9	(514,372.9)
Surplus/Deficit for the year		7,896,072.00	(492,779.00)
<b>NET FINANCIAL POSITION</b>		<b>5,721,224.10</b>	<b>(1,007,151.90)</b>

Name: REV. DR. SAMWEL  
NDUATI  
Chairman, BoM

Sign:.....

Date: 31.08.2021

Name: MR. CHEGE KARIUKI  
School Principal/Secretary,  
BoM

Sign:.....

Date: 31.08.2021

Name: ERASTUS M. NYAMU  
Finance officer

Sign:.....

Date: 31.08.2021

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

		30 <sup>th</sup> June 2021	30 <sup>th</sup> June 2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	2,640,079.25	5,770,201.00
Capitation grants for operations & infrastructure	2	11,507,204.00	17,998,525.00
School fund income- Parents contributions/ fees	3	38,279,542.00	37,838,448.00
School fund income- other receipts	4	1,680,009.00	5,010,218.00
<b>Total receipts</b>		<b>54,106,834.00</b>	<b>66,617,392.00</b>
<b>Payments</b>			
Payments for Tuition		2,036,553.00	5,647,573.00
Payments for operations		11,669,973.00	18,007,525.00
Boarding and school fund payments		33,671,931.00	43,455,073.00
<b>Total payments</b>		<b>47,378,457.00</b>	<b>67,110,171.00</b>
<b>Net cash flow from operating activities</b>		<b>6,728,377.00</b>	<b>(492,779.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>		<b>(512,313.40)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>6,216,063.00</b>	<b>(492,779.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>928,414.60</b>	<b>1,421,193.60</b>
<b>Cash and cash equivalent at END of the year</b>		<b>7,144,477.60</b>	<b>928,414.60</b>

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

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**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 Difference e=Ks
	a	b	c=a+b	d	
	Kshs	Kshs			
<b>RECEIPTS</b>					
<b>(1) CAPITATION GRANT ON TUITION</b>					
Textbooks and reference materials	2,000,000.00	-	2,000,000.00	471,960.00	1,528,040.00
Exercise books	892,350.00	-	892,350.00	-	892,350.00
Laboratory equipment	811,500.00	-	811,500.00	719,910.00	91,590.00
Internal exams	425,000.00	-	425,000.00	-	425,000.00
Teaching / learning materials	1,764,230.00	-	1,764,230.00	1,379,809.00	((384,421)
Chalks	1,250,000.00	-	1,250,000.00	-	1,250,000.00
SMASSE	68,400.00		68,400.00	68,400.00	
<b>(2) CAPITATION GRANT ON OPERATIONS</b>					
Personnel emoluments	4,028,500.00	xxx	4,028,500.00	5,954,248.00	898,730.60
Repairs and maintenance	3,500,000.00	xxx	3,500,000.00	859,356.00	(1,746,000.00)
Local transport / travelling	1,283,100.00	xxx	1,283,100.00	191,520.00	824,077.00
Electricity and water	2,205,700.00	xxx	2,205,700.00	1,574,560.00	327,421.00
Medical	2,795,600.00	xxx	2,795,600.00	0	2,334,310.00
Administration costs	1,100,400.00	xxx	1,100,400.00	191,520.00	306,287.00
Activity	879,200.00	xxx	879,200.00	-	879,200.00
<b>(3) FEES CHARGED ON PARENTS</b>					
Personnel emoluments	300,000.00	xxx	300,000.00	3,176,480.00	(2,876,480.00)
Repairs and maintenance	1,680,000.00	xxx	1,680,000.00	1,774,493.00	(94,493.00)
Local transport / travelling	1,065,150.00	xxx	1,065,150.00	730,525.00	334,625.00
Electricity and water	1,990,625.00	xxx	1,990,625.00	4,591,381.00	(2,600,756.00)
Medical	-	xxx	-	-	-
Administration costs	1,398,200.00	xxx	1,398,200.00	2,134,613.00	(736,413.00)
Activity	925,800.00	xxx	925,800.00	436,055.00	489,745.00
SMASSE	-	xxx	-	-	-
Fee on Boarding Equipment and Stores	22,669,500.00	xxx	22,669,500.00	17,643,058.00	5,026,442.00

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<b>OTHER INCOME</b>					
Rent income	420,000.00	xxx	420,000.00	53,010.00	366,990.00
Income from farming activities	-	-	0	1,834,962.00	1,834,962.00
<b>TOTAL INCOME</b>					0.00
<b>(1) EXPENDITURE FOR TUITION</b>					
Textbooks and reference materials	200,000.00	xxx	200,000.00	902,310.00	(702,310.00)
Exercise books	892,350.00	xxx	892,350.00	-	892,350.00
Laboratory equipment	811,500.00	xxx	811,500.00	127,564.00	683,936.00
Internal exams	425,000.00	xxx	425,000.00	153,250.00	271,750.00
Teaching / learning materials	1,764,230.00	xxx	1,764,230.00	768,605.00	995,625.00
Chalks	125,000.00	xxx	125,000.00	15,600.00	109,400.00
Exams and assessment	-	xxx	-	-	0.00
Teachers guides	-	xxx	-	-	0.00
Administration costs SMASSE	68,400.00	xxx	68,400.00	68,400.00	0.00
Bank Charges	-	xxx	-	1,225.00	0.00
					0.00
<b>(2) EXPENDITURE FOR OPERATIONS</b>					0.00
Personnel emoluments	4,028,500.00	xxx	4,028,500.00	4,070,337.00	(41,837.00)
Repairs, maintenance & improvements	3,500,000.00	xxx	3,500,000.00	1,943,359.00	1,556,641.00
Local transport / travelling	1,283,100.00	xxx	1,283,100.00	404,475.00	878,625.00
Electricity, water and conservancy	2,205,700.00	xxx	2,205,700.00	1,162,698.00	1,043,002.00
Medical	2,798,600.00	xxx	2,798,600.00	476,935.00	2,321,665.00
Administration costs	1,100,400.00	xxx	1,100,400.00	796,574.00	303,826.00
Activity Expenses	879,500.00	xxx	879,500.00	50,000.00	829,500.00
SMASSE	-	xxx	-	-	0.00
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>					0.00
Personnel emoluments	3,000,000.00	xxx	3,000,000.00	670,754.00	2,329,246.00
Repairs, maintenance and improvements	1,680,000.00	xxx	1,680,000.00	1,184,109.00	495,891.00
Local transport / travelling	1,065,150.00	xxx	1,065,150.00	1,668,937.00	(603,787.00)

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Electricity, water and conservancy	1,990,625.00	-	1,990,625.00	920,795.00	1,069,830.00
Medical Expenses	-	-	-	94,500.00	0.00
Administration costs	1,398,200.00	-	1,398,200.00	2,327,263.00	-929,063.00
Activity	925,800.00	-	925,800.00	253,390.00	672,410.00
Gratuity	-	-	-	-	0.00
Lunch programme	-	-	-	-	0.00
Boarding Equipment and Stores	22,669,500.00	-	22,669,500.00	17,120,288.50	5,549,211.50
Expenditure for Income	-	-	-	-	0.00
Generating Activity	-	-	-	-	0.00
Insurance costs	-	-	-	-	0.00
Other expenses on investments	-	-	-	-	0.00
Rent Expenses	42,000.00	-	42,000.00	10,510.00	31,490.00
Bank Charges	-	-	-	-	0.00
Loan Interest Repayment	-	-	-	-	0.00
Loan Principal Repayment	-	-	-	-	0.00
Acquisition of Assets	2,800,000.00	-	2,800,000.00	851,417.00	1,948,583.00
<b>TOTALS</b>	<b>29,826,125.00</b>		<b>29,826,125.00</b>	<b>21,578,163.50</b>	<b>8,342,461.50</b>

## 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.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorized 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.

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>30<sup>th</sup> June 2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	719,910.00	162,016.00
Exercise books	-	2,885,785.00
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	1,851,769.25	2,456,800.00
Chalks	xxx	-
Exams and assessment	xxx	-
Teachers guides	xxx	-
SMASSE	68,400.00	265,600.00
<b>Total</b>	<b>2,640,079.25</b>	<b>5,770,201.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>30<sup>th</sup> June 2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	5,954,248.00	5,310,659.00
Maintenance&improvements	2,736,000	5,996,000.00
Local transport / travelling	459,023.00	664,000.00
Electricity and water	1,574,560.00	1,546,633.00
Medical	461,290.00	1,675,000.00
Administration costs	859,356.00	1,314,233.00
Activity	383,040.00	1,243,000.00
BoM Teachers	-	240,000.00
<b>Total</b>	<b>11,507,204.00</b>	<b>17,989,525.00</b>

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

	<b>30<sup>th</sup> June 2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	3,836,222.00	2,704,319.00
Repairs and maintenance	1,774,493.00	2,189,471.00
Local transport / travelling	730,525.00	557,095.00
Electricity and water	4,793,419.00	4,529,734.00
Students ID	2,650.00	-
Maintenance& Improvements	3,518,721.00	1,500.00
Administration costs	2,134,613.00	1,739,911.00
Activity	436,055.00	51,000.00
<b>Total</b>	<b>17,226,698.00</b>	<b>11,773,030.00</b>

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**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	<b>30<sup>th</sup> June 2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fee on Boarding Equipment and Stores	21,052,839.00	21,840,818.00
Rent income	101,610.00	51,000.00
Income from farming activities	140,150.00	-
Uniforms	1,251,829.00	-
Other misc. incomes	186,320.00	-
Income from Bus Hire other income		-
Fee for hire of ground and equipment	-	-
Income from grants and donations*	-	-
Interest income (other miscellaneous)	-	452,615.00
Dividends income	-	-
<b>Total</b>	<b>22,732,758.00</b>	<b>22,344,433.00</b>

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

**5 PAYMENTS FOR TUITION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	902,310.00	689,247.00
Exercise books	-	1,341,210.00
Laboratory equipment	125,764.00	851,528.00
Internal exams	153,250.00	54,725.00
Teaching / learning materials	768,605.00	2,445,263.00
Chalks	15,200.00	-
Exams and assessment	-	-
Teachers guides	-	-
Administration Costs	1,225.00	-
Bank Charges SMASSE	68,400.00	265,600.00
<b>Total</b>	<b>2,036,553.00</b>	<b>3,555,757.00</b>

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**6 PAYMENTS FOR OPERATIONS**

	<b>30<sup>th</sup> June 2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	4,070,337.00	4,354,120.00
Service Gratuity	-	-
Administration Cost	796,574.00	1,048,382.00
maintenance & improvements	2,626,885.00	6,328,711.00
Local transport / travelling	404,475.00	813,261.00
Electricity and water	1,162,698.00	1,147,767.00
Medical	476,935.00	-
Activity Expenses	50,000.00	1,748,324.00
BOM Teachers	600,000.00	200,000.00
General repairs	1,943,359.00	1,555,160.00
Transfers	-	4,000,000.00
<b>TOTAL</b>	<b>11,669,973.00</b>	<b>18,007,525.00</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	670,754.00	5,262,848.00
Service Gratuity	-	893,050.00
Repairs and maintenance & improvements	1,139,024.00	4,386,064.00
Local transport / travelling	1,673,937.00	2,287,957.00
Electricity and water	920,775.00	1,816,889.00
Medical	94,100.00	111,700.00
Administration costs	3,116,843.00	3,292,712.75
Daily farming & crop, farm Infrastruc	5,071,366.00	1,036,935.00
Expenses on income Generating Activities	4,045,934.50	6,224,882.00
Fee on boarding Equipment and stores	19,094,122.00	14,542,415.00
Rent expenses	10,510.00	72,950.00
Toilets projects	406,595.00	0
Tuition Expenses	1,167,695.00	81,200.00
Activity	253,390.00	720,329.00
Uniform	52,800.00	-
Acquisition of Assets	851,417.00	6,765,366.00
<b>TOTAL</b>	<b>33,671,932.00</b>	<b>43,455,073.00</b>

*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*

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

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank	30 <sup>th</sup> June 2021	2020
	Account		
	Number		
		Kshs	Kshs
Tuition Account	1102123439	590,356.05	192,510.80
Operations Account	1102142581	1,500,206.15	106,978.50
School Fund Account/Boarding		xxx	xxx
i. Equity	0160260835447	1,852,214	-1,896,663.50
ii. KCB	1102142735	1,246,100.20	-1,087,890.03
iii. COOP	113950187750	573,384.20	76,404.60
iv. ABSA	2022289813	114,415	32,992.47
CDF Account	0160279494026	5,140	5,145
Gratuity Account	0160275941401	466,561	327,061
Infrastructural Account	1212252810	114,415.00	5,300.00
<b>Total</b>		<b>6,565,491.70</b>	<b>-2,238,165.91</b>

**9 CASH IN HAND**

Description	June 2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account Other Accounts	578,987.00	182,027.00
<b>Total</b>	<b>578,987.00</b>	<b>182,027.00</b>

**10 SHORT TERM INVESTMENTS**

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

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

**11 ACCOUNTS RECEIVABLE**

Description	June 2021	2019-2020
	Kshs	Kshs
Fees arrears	6,042,214.00	4,075,177.00
Other non-fees receivables	11,000.00	40,500.00
Salary advances	68,000.00	-
Tuition	-	-
<b>Total</b>	<b>6,129,214.00</b>	<b>5,555,570.05</b>

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

Description	June 2021	2020
	Kshs	Kshs
Fees arrears for current year	4,332,001.00	4,075,177.00
Fees arrears for the previous year	240,820.00	398,292.00
Fees arrears for prior periods (over two years)	1,469,393.00	1,106,101.00
<b>Total</b>	<b>6,042,214.00</b>	<b>5,555,570.05</b>

**12 ACCOUNTS PAYABLE**

Description	June 2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	5,149,486.00	1,211,356.00
Prepaid fees	2,402,981.00	3,162,119.00
Fund balances	-	3,364,087.00
<b>Total</b>	<b>7,552,467.00</b>	<b>7,491,136.50</b>

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

Description	30 <sup>th</sup> June 2021	2020
	Kshs	Kshs
Trade creditors for current year	4,847,802.00	1,211,356.00
Trade creditors for the previous year	301,684.00	133,105.00
Trade creditors for prior periods (over two years)	-	-
<b>Total</b>	<b>5,149,486.00</b>	<b>1,344,461.00</b>

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**13 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	746,387.00	1,417,727.15
Cash balances	182,027.00	182,027.00
Short Term Investments	-	-
Receivables	5,555,570.00	5,716,679.05
Payables	(7,491,136.5)	(7,224,266.90)
<b>Total</b>	<b>(1,007,151.90)</b>	<b>(514,372.90)</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**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank loan(s)	-	xxx
Outstanding Leases	-	xxx
Hire purchase	-	xxx
Gratuity and leave provision	466,561.00	xxx
<b>Total</b>	<b>466,561.00</b>	<b>xxx</b>

**15 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle	37	1,530,000.00	1,110,000.00
Goats		-	xxx
Trees		2,000,000.00	1,800,000.00
Coffee or tea plantation		-	Xxx
Poultry		-	xxx
<b>Total</b>		<b>3,530,000.00</b>	<b>2,910,000.00</b>

16 Borrowings

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

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**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>30<sup>th</sup> June 2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	1,362,250.60	-
Stock/ inventory purchased during the year	19,443,000.00	-
Stock/ inventory issued during the year	18,341,125.00	-
<b>Balance at end of the year</b>	<b>2,464,125.00</b>	<b>1,362,250.60</b>

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**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

<b>Supplier of Goods or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount Paid To Date</b>	<b>Outstanding Balance 20XX</b>	<b>Outstanding Balance 20XX-1</b>
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d=a-c</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
8.					
9.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals of the</b>
Land 1			50,000,000.00	-	-
Land 2			30,000,000.00	-	-
Buildings and structures			149,900,000.00	-	-
Motor vehicles			10,000,000.00	-	-
Office equipment, furniture and fittings			-	-	-
ICT Equipment, and Other ICT Assets			7,341,000.00	-	-
Tools and apparatus			9,326,000.00	-	-
Textbooks			-	-	-
Other Machinery and Equipment			3,037,500.00	-	-
Heritage and cultural assets			-	-	-
Intangible assets- soft ware			-	-	-
<b>Total</b>			<b>499,883,000.00</b>	-	-

