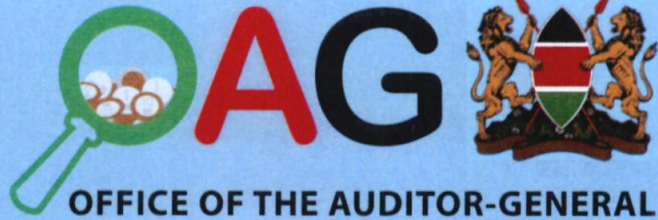


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

OF

DATE: 10 APR 2025

THURSDAY

TABLED
BY:

HON. SILVANUS SHORO MP
MAJORITY PARTY WHIP

THE AUDITOR-GENERAL

CLERK AT
THE TABLE:

INZOFU MWALE



ON

VIHIGA FRIENDS HIGH SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2023

VIHIGA COUNTY



VIHIGA FRIENDS HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2023

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

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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

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 VIHIGA County, VIHIGA Sub-County

The school was registered in **05/1964** under registration number **GP/A/5008/07** 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 **1957** number of students as at 30th June 2023. It has 8 streams and **73** teachers of which **28** teachers are employed by the School Board of Management

(a) 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. Charles Omware	Chairman	14/03/2022
2	Mr. Daniel J. Mwachi	Secretary - Principal	14/03/2022
3	Mr. Kennedy Okila	P.A. Chairman	14/03/2022
4	Mrs. Grace adero	Member	14/03/2022
5	Mrs. Fanice Odera	Member	14/03/2022
6	Mr. Tom Onacha Kisia	Member	14/03/2022
7	Mrs. Alice K. Onacha	Member	14/03/2022
8	Prof. Egara Kabaji	Member – Rep CEB	14/03/2022
9	Mr. Edward Masika	Member Rep Teachers	14/03/2022
10	Mr. Amin Juma	Parents Rep	14/03/2022
11	Mrs. Mary Ogada	Members - Sponsor	14/03/2022
12	Mr. Josphat Otiende	Member - Sponsor	14/03/2022
13	Mrs. Ebby Sagala	Member Special Needs	14/03/2022
14	Dr. Robert Kati	Co-opted Member	14/03/2022
15	Ms. Eunice Lubekho	Co-opted Member	14/03/2022
16	Mr. Benard Busaka	Co-opted Member	14/03/2022

The functions of the School Board of Management are to:

- 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 paragraph 21 and 23 of the Basic Education Act, 2013.

(b) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	No. of meetings attended during the year
1	Executive Committee	Charles Omware Daniel J. Mwachi Kennedy Okila Grace Adero Alice Onacha	Chairman Secretary Member Member Member	2
2	Audit Committee	Egara Kabaji Daniel J. Mwachi Fanice Odera Josphat Otiende	Chairman Secretary Member Member	0
3	Finance, Procurement and General Purpose Committee	Robert Kati Daniel J. Mwachi Charles omware Ebby Sagala Juma amin	Chairman Secretary Member Member Member	2
4	Academic Committee	Benard Busaka Daniel Mwachi Prof. egara kabaji	Chairman Secretary Member	2

		Edward Masika Kennedy Okila	Member Member	
5	Development/SIC Committee	Tom Kisia Daniel Khaemba Daniel J. Mwachi Kennedy Okila Charles Omware Grace adero	Chairman Secretary Member Member Member Member	4
6	Discipline and welfare Committee	Josphat Otiende Daniel Mwachi Kenedy okila Alice Onacha Eunice Lubekho	Chairman Secretary Member Member Member Member	2
7	Adhoc Committee	Wakhu Goodrick Mary Musau Mavutsi Alexander	Chairman Secretary Member	3

(c) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Daniel J. Mwachi	306494
2	Deputy Principal	Daniel Khaemba	390463
3	School Bursar	Patrick Mbayagi	ASSOC 3326 (ICPAK)

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(b) Schools contacts

Post Office Box: 140, Maragoli
Telephone: 0717582574
E-mail: vihigaschool@gmail.com
Website: www.vihigaboys.ac.ke
Facebook:
Twitter:

(c) School Bankers

The school operated 7 number of bank accounts in the following banks:

1. Name of Bank: KCB
Branch: Mbale
Account Number: 1102382272 – B.E.S. account
2. Name of Bank: KCB
Branch: Mbale
Account Number: 1102382116 – Operations account
3. Name of Bank: KCB
Branch: Mbale
Account Number: 1102368237 – Tuition account
4. Name of Bank: KCB
Branch: Mbale
Account Number: 1282360744 – Income Generating account
5. Name of Bank: KCB
Branch: Mbale
Account Number: 1277873321 – Service Gratuity account
6. Name of Bank: KCB
Branch: Mbale
Account Number: 1240065159 – Project Management Committee account
7. Name of Bank: Equity
Branch: Mbale
Account Number: 0960294579786 – School Infrastructure account

(VIHIGA FRIENDS HIGH SCHOOL)

Annual Report and Financial Statements For the year ended 30th June 2023

(c) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

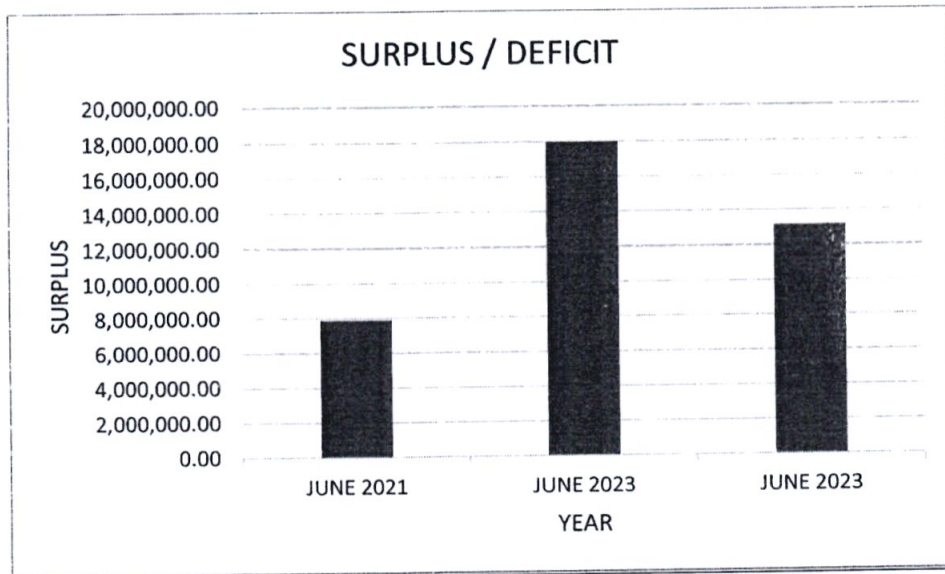
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

Surplus / deficit analysis

YEAR	DEC 2019	DEC 2020	JUNE 2021	JUNE 2022	JUNE 2023
SURPLUS/DEFICIT	(9,578,219.05)	(1,965,759.76)	7,883,557.00	17,986,407	13,170,316

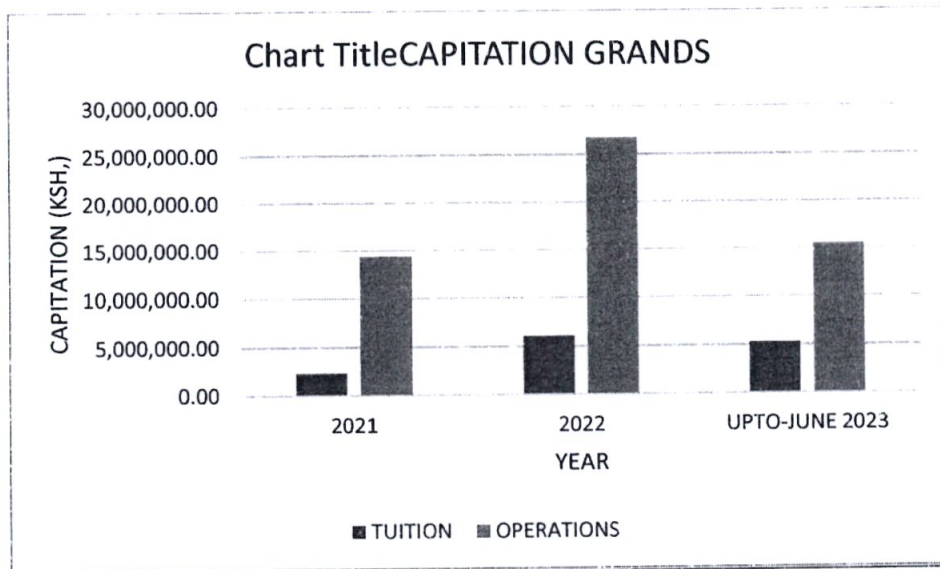
Graphical representation of Surplus/Deficit over the last three years;



Capitation Grants from M.O.E. for the last three years

YEAR	2021	2022	UPTO-JUNE 2023
TUITION	2,291,180.75	6,110,951.80	5,292,189

OPERATIONS	14,361,804.45	26,724,701.70	15,449,890.80
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Ratio of capitation grant per student over the last three years;

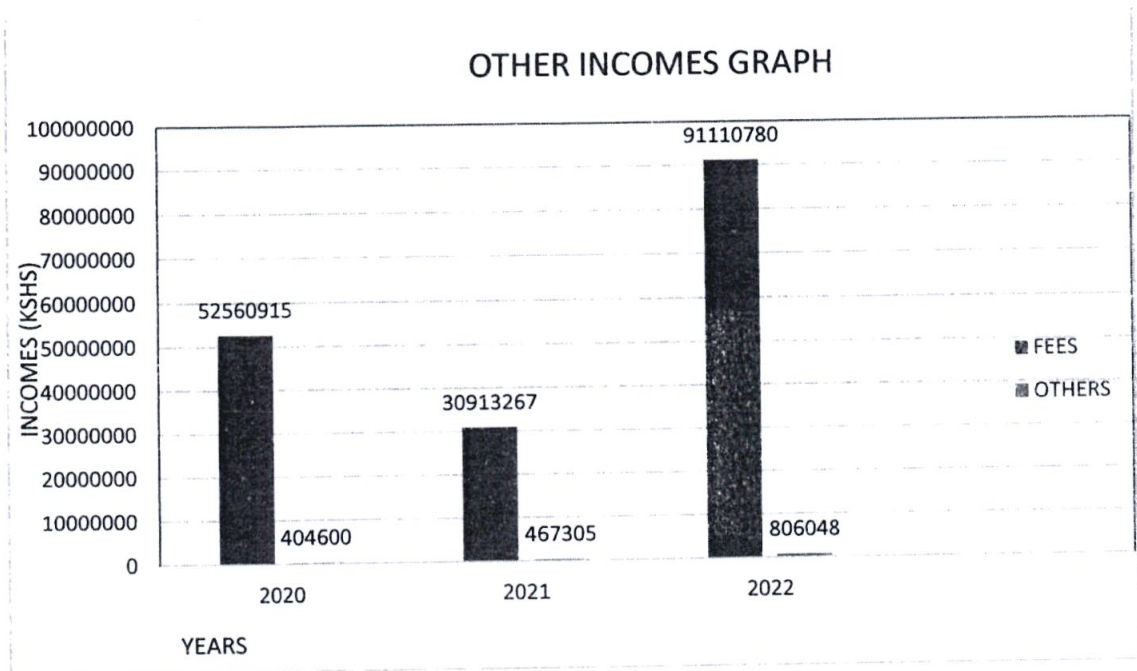
YEAR	2021	2021/2022	2022/2023
CAPITATION	1:9,659.50	1:17,720.30	1:14,834.90

(VIHIGA FRIENDS HIGH SCHOOL)

Annual Report and Financial Statements For the year ended 30th June 2023

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

YEAR	PARENTS FEES	HOUSE RENT	FARM INCOME	BAKERY	BUS HIRE	SALE OF SCRAP METAL
2021	30,913,267	163,205	133,950	106,650	63,500	-
2022	91,110,780	79,550	440,348	14,000	103,000	169,150
2023	104,299,858	63,650	193,170	-	103,000	-



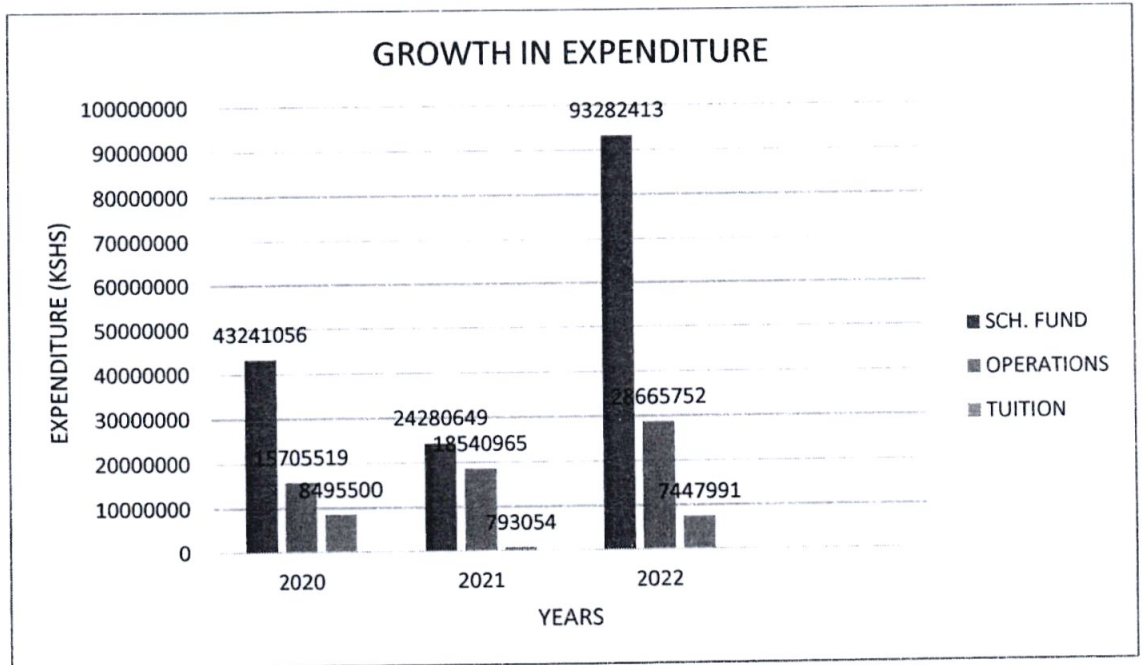
A three-year overview of growth in expenditure of the school

YEAR	SCH. FUND A/C	OPERATIONS A/C	TUITION A/C	TOTAL
2021	24,280,649	18,540,965	793,054	43,614,668
2022	93,282,413	28,665,752	7,447,991	129,396,156

(VIHIGA FRIENDS HIGH SCHOOL)

Annual Report and Financial Statements For the year ended 30th June 2023

2023	88,880,686.20	28,928,866	6,038,273.50	123,847,825.50
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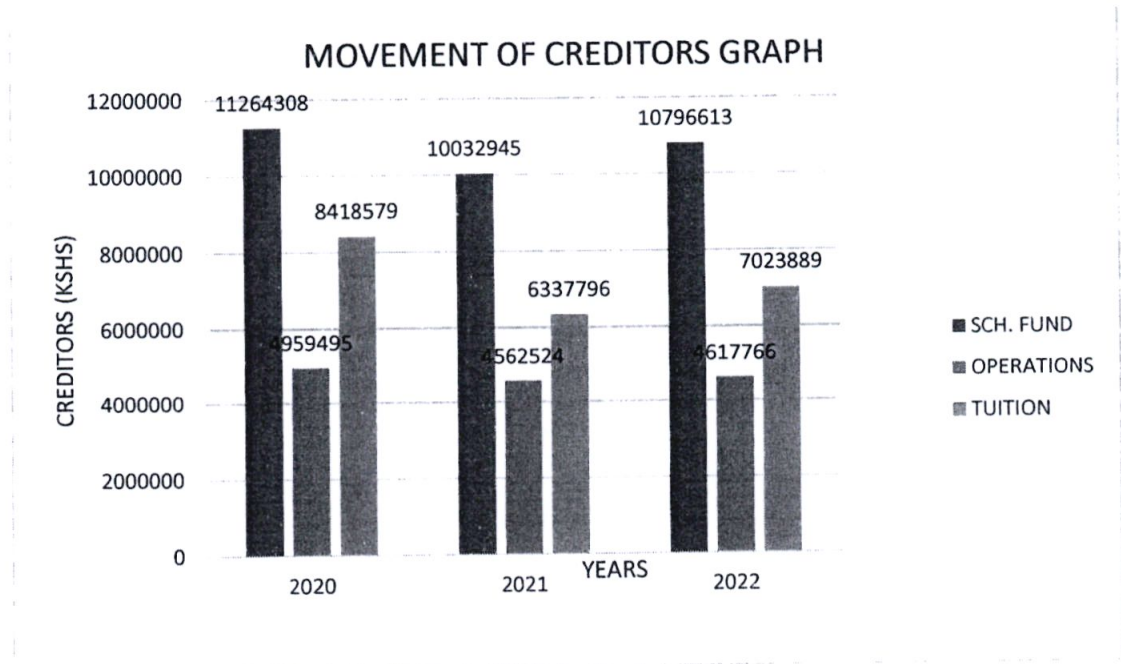
Movement of creditors of the school over the last three years

YEAR	SCH. FUND	OPERATIONS	TUITION	TOTAL
2021	10,032,945	4,562,524	6,337,796	20,933,265

(VIHIGA FRIENDS HIGH SCHOOL)

Annual Report and Financial Statements For the year ended 30th June 2023

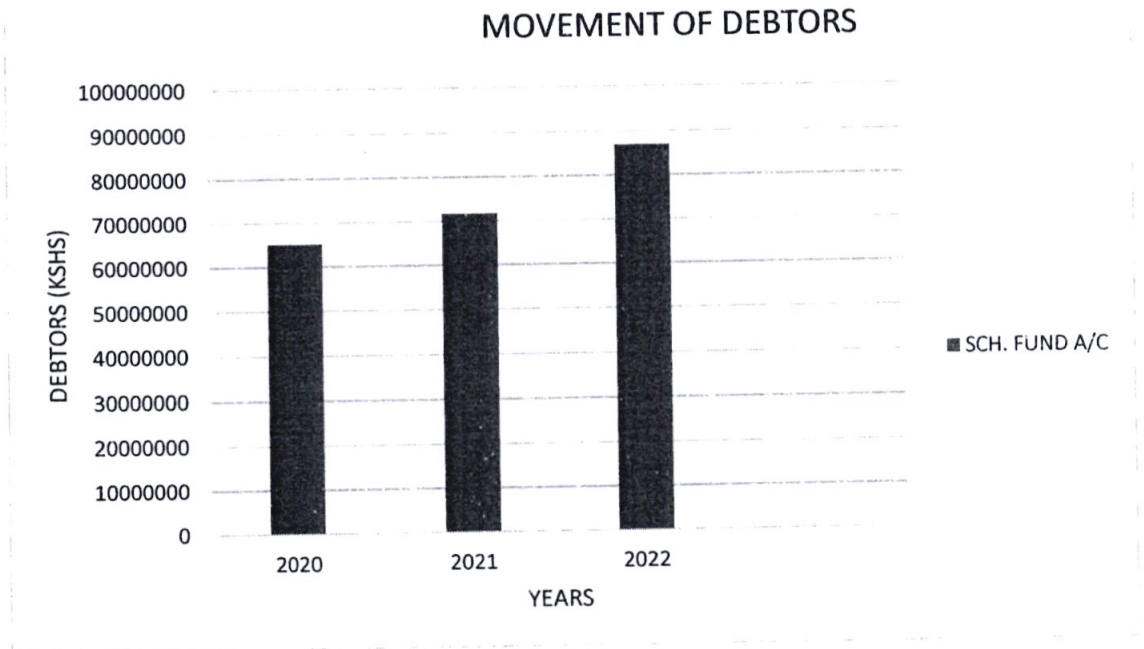
2022	10,796,613	4,617,766	7,023,889	22,438,268
2023	13,955,575	4,319,320	8,076,613.50	26,351,526.50



Movement of debtors of the school over the last three years

YEAR	DEBTORS (FEES ARREARS 2007 TO 2021)
2021	71,715,141
2022	86,898,569

2023	89,663,129
------	------------



Movement of cash and bank balances over the last three years

ACCOUNTS	2021		2022		2023	
	CASH	BANK	CASH	BANK	CASH	BANK
SCH. FUND	109,420.40	203,905.89	79,605.40	698,642.18	21,636.40	698,642.18
OPERATIONS	-	145,004.70	-	16,388.40	-	16,388.40
TUITION	-	3,040.35	-	3,824.15	-	3,824.15
INFRASTRUCTURE				8,258,413		1,124,582
INCOME GEN.				19,514.45		246,866
SERVICE GRATUITY				7,595		119
TOTAL	109,420.40	351,950.94	79,605.40	7,188,854.73	21,636.40	3,856,558.97

a) **Teacher Student ratio:**

Include the teacher to student ratio – 1: 45

Number of teachers recruited and posted to the school within the year – 0 on TSC and 0 on internship.

Number of teachers that were transferred - 1

And number employed by BOM. - 7

b) Mean score in the 2023 KCSE:

Performance of the school over the last three years

YEAR	MEAN SCORE/GRADE	C+ AND ABOVE	DEVIATION
2023	6.3856 - C	252 out of 555	+0.2849
2022	6.1007 - C+	159 out of 272	0.0889
2021	6.643 - C+	169 out of 342	-0.335

c) Number of Candidates in the 2023 KCSE:

Number of candidates sitting for KCSE over the last three years

YEAR	NUMBER OF CANDIDATES
2023	555
2022	272
2021	342

a) Capacity of the school:

Indicate the number of students in the school is 1957

Number of :-

Dormitories - 10

Dining hall- 1

Toilets- 56 doors

Laboratories- 4

Classrooms 44

LIST OF COMPLETED AND INCOMPLETE PROJECTS

2020/ 2021 PROJECTS

NO	PROJECT	STATUS	ACCOUNT
1.	6 N ^o Classrooms Storey Block Project	Completed	Infrastructure
2.	3 N ^o Classrooms Additional Storey Project	Completed	Infrastructure
3.	24 Door Pit Latrine	Completed	Infrastructure

2021/ 2022 PROJECTS

NO	PROJECT	STATUS	ACCOUNT
1.	3 N ^o Classrooms Additional Storey Project	Completed	Infrastructure
2.	168 Bed Capacity Dormitory	Completed	Boarding
3.	480 Bed Capacity Dormitory	Incomplete	Infrastructure

2022/ 2023 PROJECTS

NO	PROJECT	STATUS	ACCOUNT
1.	Re-roofing and painting of 4 N ^o Classrooms.	Completed	Boarding
2.	Re-roofing, Additional walling and Painting of kitchen.	Incomplete	Boarding
3.	24 Door Pit Latrine	Incomplete	Infrastructure
3.	480 Bed Capacity Dormitory	Incomplete	Infrastructure

PRINCIPAL
VIHIGA FRIENDS HIGH SCHOOL
P. O. Box 140 - 50300, MARAGOLI.
Date: SIGN:

School Principal

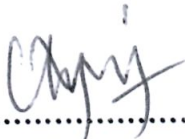
3. Statement of School Management Responsibility

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

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

The Board of Management of *Vihiga Friends 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, 2023, and of the school's financial position as at that date.



.....

Name: Charles Omware

Designation: Chairman, School Board of Management

Date: 28/09/2023

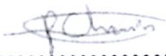


.....

Name: Daniel J. Mwachi

Designation: School Principal & Secretary to Board of Management

Date: 28/09/2023



.....

Name: Patrick C. Mbayagi

Designation: Bursar/ Finance Officer

Date: 28/09/2023

REPUBLIC OF KENYA



Enhancing Accountability

Telephone: +254-(20) 3214000
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 VIHIGA FRIENDS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - VIHIGA COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for 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.

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 Vihiga Friends High School – Vihiga County set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of budget versus actual amounts for the year then ended 30 June, 2023 and a summary of significant accounting policies and other explanatory

Report of the Auditor-General on Vihiga Friends High School for the year ended 30 June, 2023 – Vihiga County

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 Vihiga Friends High School – Vihiga County as at 30 June, 2023 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 and the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Presentation and Disclosure of the Financial Statements

Note 19 to the financial statements on other important disclosure reflects a balance of Kshs.653,290 on stock/inventory balance. However, Management did not carry out a stock take at the end of the financial year and no records were maintained to show the level of stock at the close of financial year. In addition, a review of the Schools fixed asset register revealed that the School has recorded most of the assets. However, the summary of fixed assets register at Annex 2 and the fixed asset register omitted critical information on serial numbers of office equipment and other electronic items which were not tagged and does not reflect the cost of the assets.

In the circumstances, accuracy of the presentation and disclosure in the financial statements could not be confirmed.

2. Inaccurate and Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.4,073,018. Included in the balance is Kshs.4,051,382 in respect of bank balance as disclosed in Note 10 to the financial statements out of which is a balance of Kshs.194,823 in respect of Project Management Committee (PMC) bank account for which cashbook records and bank reconciliation statements were not provided for audit. The balance also includes Kshs.21,636 in respect of cash for which the board of survey report was not provided for audit. In addition, inclusion of PMC balance amounts to double accounting.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,073,018 could not be confirmed.

3. Inaccuracy in the Statement of Assets and Liabilities

The statement of asset and liabilities reflects net financial assets balance of Kshs.75,893,295 while the recalculated balance is Kshs.76,088,117 resulting to unexplained variance of Kshs.194,822 rendering the statement not to balance.

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

4. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.111,628,219 as disclosed in Note 13 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 of the accounts receivables balance of Kshs.111,628,219 could not be confirmed.

5. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.111,628,219 as disclosed in Note 13 to the financial statements. However, this balance includes Kshs.110,382,653 relating to fees arrears out of which, Kshs.13,586,725 has been outstanding for the previous year while a balance of Kshs.66,271,957 has been outstanding over 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.111,628,219 could not be confirmed.

6. Unsupported Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.39,613,120 as disclosed in Note 14 to the financial statements. However, the supporting schedules, detailed aging analysis, ledgers, and unpaid invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the account's payables balance of Kshs.39,613,120 could not be confirmed.

7. Inaccuracy in the Statement of Cash Flows

The statement of cashflows reflects the cash and cash equivalents balance at the beginning of the financial year of Kshs.9,278,806 while the closing balance from the previous year was Kshs.9,083,983 resulting to unexplained variances of Kshs.194,823.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budgeted receipts and actual receipts on comparable basis of Kshs.71,664,390 and Kshs.138,018,142 respectively resulting to an excess-funding of Kshs.66,353,752 or 92% of the budget. However, the School spent Kshs.128,847,826 against actual receipts of Kshs.138,018,142 resulting to an under-expenditure of Kshs.9,170,316 or 7% of the budget.

The under-expenditure affected the planned activities and may have negatively constrained 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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

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 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. Lack Separate of Accounting Records for the Bakery

The statement of receipts and payments and Note 5 to the financial statements reflects miscellaneous incomes totalling to Kshs.4,036,468. However, the School did not prepare separate accounting records for the bakery such as the stores ledgers/bin cards/S3, bread production register, bread sales register, cashbook, bank statements, asset register, and income and expenditure statements to confirm bakery input, output, income, expenditure and profits or loss. This is contrary to Regulation 64(1)(a) of the Public Finance Management Regulations, 2015 that provides that an Accounting Officer and or

Receiver of Revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting.

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

2. Irregular Comingling of Funds

The statement of receipts and payments and Note 5 to the financial statements reflects miscellaneous incomes totalling Kshs.4,036,468. Included in the amount is Kshs.1,923,818 in respect of incomes from other income generating activities including rent income, income from farming activities, bakery, income from bus hire, and uniform income which was banked into the School fund account. This is contrary to Ministry of Education circular reference number MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day Secondary Education (FDSE) which requires that schools with income generating activities to open separate bank accounts for the stream of income and account for it in accordance with financial regulations.

In the circumstances, Management was in breach of the Ministry of Education guidelines.

3. Irregular Cash Purchases

The statement of receipts and payments and Note 9 to the financial statements reflects payments totalling Kshs.88,880,686 in respect of boarding and school fund. Review of records revealed cash payments totalling Kshs.4,848,000 on purchase goods and services without supporting documents such as requisitions, local purchase orders, delivery notes, inspection reports, and goods received notes. This was contrary to the Section 107(a) of the Public Procurement and Asset Disposal Act, 2015 which provides that a procuring entity may use a low-value procurement procedure if the entity is procuring low value items which are not procured on a regular or frequent basis and are not covered in framework agreement.

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

4. Failure to Prepare a School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan. This is contrary to Paragraph 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 priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, Management was in breach of the Ministry of Education guidelines.

5. Non-Adherence to Third Pay Rule

The statement of receipts and payments as disclosed in Note 7 to the financial statements indicates payments totalling Kshs.15,275,008 in respect of operations out of which payments totalling Kshs.7,894,894 was in respect of personnel emoluments. Review of June, 2023 payroll revealed that one (1) member of non-teaching staff and six (6) subordinate members of staff received net pay below a third of basic salary. This is

contrary to Section 19(3) of the Employment Act, 2007 that states the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages.

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

6. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 3 June, 2024 instead of the statutory deadline of 30 September, 2021/2022/2023. This was contrary to the Ministry of Education circular Ref: MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

7. Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.39,613,120. However, included in the balance is Kshs.31,399,917 in respect of trade creditors out of which Kshs.6,088,670 is in respect of trade creditors which has been outstanding for more than one (1) year while a balance of Kshs.5,411,405 had been outstanding for between two (2) to three (3) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract(s) are reflected in approved budget estimates.

In the circumstances, the School Management was in breach of the law and there is risk of loss of public funds through litigations, interests and penalties.

8. Unexplained Shortfall in Supply of Books

During the year/period 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 three thousand and eighty-seven (3,087) books to the School while the students were four thousand and sixty four (4,064) resulting to an unexplained shortfall of nine hundred and seventy seven (977) text books.

In the circumstances, value for money on the non-supply of nine hundred and seventy-seven (977) text books could not be confirmed.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 the Board of Management

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

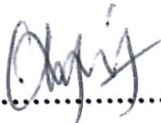
Nairobi

17 January, 2025

4. Statement of Receipts and Payments For the Year Ended 30th June 2023


Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	5,292,189	6,110,952
Government grants for operations	2	15,449,891	26,743,362
Government Grants for infrastructure	3	7,747,028	
School fund income- parents' contributions	4	105,492,566	99,471,875
Miscellaneous incomes	5	4,036,468	8,210,498
Total Receipts		138,018,142	140,536,686
Payments			
Tuition	6	6,038,274	7,447,991
Operations	7	15,275,008	20,496,011
Infrastructure	8	14,653,858	
Boarding and school fund	9	88,880,686	94,606,277
Total Payments		124,847,826	122,550,279
Surplus/Deficit		13,170,316	17,986,407

The school financial statements were approved on _____ 2023 and signed by:


.....


Name: Charles Omware
Chair BOM

Date: 30/7/2024


.....

Name: Daniel J. Mwachi
School Principal/ Secretary to
BOM

Date: 30/7/2024


.....

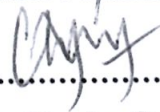
Name: Patrick C. Mbayagi
Bursar/ Finance Officer

Date: 30/7/2024

5. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		KShs	KShs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	4,051,382	9,199,200
Cash balances	11	21,636	79,605
Short term investments	12	-	-
Total cash and cash equivalent		4,073,018	9,278,806
Account's receivables	13	111,628,219	90,942,773
Total financial assets		115,701,237	100,221,579
Financial liabilities			
Accounts payables	14	39,613,120	37,303,776
Net financial assets		75,893,295	62,722,980
Represented by			
Fund Balance Brought Forward	15	62,917,803	44,931,395
Surplus/deficit for the year		13,170,316	17,986,407
Net financial position		76,088,118	62,917,802

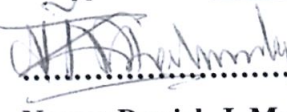
The school's financial statements were approved on _____ 2023 and signed by:


.....

Name: Charles Omware

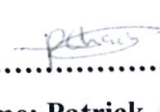
Chair BOM

Date:


.....

Name: Daniel J. Mwachi
School Principal/ Secretary to
BOM

Date:


.....

Name: Patrick C. Mbayagi

Bursar/ Finance Officer

Date:

5. Statement of Cash Flows for the Year Ended 30th June 2023

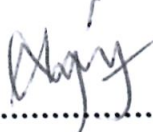
Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		5,292,189	6,110,952
Government grants for operations		15,463,719	26,743,362
Government grants for infrastructure		7,747,028	
School fund income- parents contributions/ fees		83,552,392	82,685,915
Other income		4,036,468	8,210,498
Total receipts		116,091,796	123,750,726
Payments			
Cash outflows for tuition		4,985,531	6,761,898
Cash outflows for operations		14,937,954	14,961,517
Cash outflows Boarding/lunch and school fund payments		86,720,239	93,943,878
Total payments		106,643,724	115,667,293
Net cash inflow/outflow from operating activities		9,448,072	8,083,433
Cash flow from investing activities			
Acquisition of assets			
Proceeds from sale of Assets		(14,653,858)	(5,446,983)
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(14,653,858)	(5,446,983)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(5,205,787)	2,636,450


(VIHIGA FRIENDS HIGH SCHOOL)

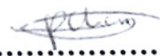
Annual Report and Financial Statements For the year ended 30th June 2023

Cash and cash equivalent at beginning of the FY		9,278,806	6,447,532
Cash and cash equivalent at end of the FY		4,073,019	9,083,983

The school's financial statements were approved on _____ 2023 and signed by:


.....
Name: Charles Omware
Chair BOM
Date:


.....
Name: Daniel J. Mwachi
School Principal/ Secretary to BOM
Date:


.....
Name: Patrick C. Mbayagi
Bursar/ Finance Officer
Date:

6. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipts / Expenses / Item	Original Budget Kshs	Adjustments Kshs	Revised Budget Kshs	Actuals Kshs	Actuals Kshs	% Of Utilization
Receipts						
(1) Capitation Grant on Tuition						
Reference Materials	-	-	-	-	-	-
Exercise Books	4,523,750		4,523,750	-		-
Laboratory Equipment	2,000,000		2,000,000	-		-
Internal Exams	5,544,750	-	5,544,750	-		-
Teaching / Learning Materials	645,100		645,100	5,292,189	2,897,661	64.6%
Exams And Assessment		-	-	-	-	-
TOTAL	12,713,600			5,292,189	2,897,661	
(2) Capitation Grant on Operations						
Personnel Emoluments	-	-	-	13,600	(13,600)	-
Repairs And Maintenance	-	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-	-
Other voteheads		-	-	13,959,953	-	-
Activity	2,775,000.00	0	2,775,000	1,086,438	1,688,563	39.2%
Insurance	-	-	-	389,900	(389,900)	-
TOTAL				15,449,890		

Receipts/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization difference	% Of Utilization = d/c % KSh
3) FDSE for infrastructure						
Maintenance & Improvement MoE						
M&I parents' contribution						
Economic Stimulus Programs						
Transition Infrastructure Grants						
Administration Block						
(4) Other income						
Fees on boarding equipments and stores	59,261,200.00		59,261,200	72,031,307		121.5%
Rent income	-	-	-	43,400	-	-
Income from farming activities	335,000.00		335,000	193,170		57.7%
Bakery	-			-		
Uniform income				200,100		
Income from Bus Hire				103,000		
Income from IGA Account				1,485,500		
Income from Gratuity Account	1,103,340.00		1,103,340	485,500		44.0%
Loss recovery				141,650		
Sale of scrape metal	-			-		
TOTAL INCOME	71,664,390	0	71,664,390	138,018,142	(9,801,364)	113.7%

Receipt/Expense Item	Original Budget	Adjustment	Final Budget	Actual On Comparable Basis	Budget Utilization difference	% Of Utilization rate %
(5) Expenditure For Tuition						
Textbooks			0	-	-	-
Exercise Books			0	-	-	-
Laboratory Equipment	2,000,000		2,000,000	1,405,913	594,087	70%
Teaching / Learning Materials	5,544,750		5,544,750	4,146,980	1,397,771	75%
Chalks			0	-	-	-
Internal exams			0	478,120	(478,120)	-
Stationery			0	-	-	-
Bank charges			0	7,261	(7,261)	-
Teachers Guides			0	-	-	-
Administration Costs			0	-	-	-
(6) Expenditure For Operations						
Personnel Emoluments			0	7,894,894		
Electricity, Water and Conservancy	1,369,000	-	1,369,000	596,747		44%
Administration Costs	1,983,700		1,983,700	4,074,602		205%
Repairs and maintenance and improvements			0	732,200		
Local travel and transport	3,391,050		3,391,050	872,034		26%
Service Gratuity			0	176,135		
Medical			0	33,750		
Activity Expenses	2,775,000		2,775,000	883,740		32%

Receipt/Expenditure Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Of Utilization = (4c / 3c) %
Construction of six classrooms and 24 door latrine	0		0	-		
Covid-a9 expenses	0		0	-		
Bank charges			0	10,906		
Ablution block	0		0	-		
(8) Expenditure For infrastructure						
Construction of classrooms						
Construction of LAB						
Construction of DORMS						
Purchase of furniture						
Purchase of equipment						
Purchase of machinery						
(9) Expenditure For school fund/lunch/boarding						
Activity	925,000		925,000	2,800,090		303%
Insurance motor vehicle			0	161,741		
Bus Hire			0	40,000		
Farm			0	155,050		
Local travel and Transport	3,507,500		3,507,500	5,478,605		156%
Personal emoluments	5,735,000		5,735,000	8,509,156		148%

Receipt/Expense Item	Original Budget	Adjustment	Final Budget	Actual/Difference	Budget Utilization Difference	% Of Utilization
						Code % KSh
KMF Village	0		0	1,078,630		
Repairs maintenance and improvement	1,850,000		1,850,000	3,795,166		205%
Uniform expenses			0	206,275		
EWC	6,202,700		6,202,700	3,561,955		57%
Medical expenses	600,000		600,000	458,270		76%
Administration Costs	7,010,450		7,010,450	11,004,419		157%
Dormitory fire damages repair	0		0	-		
Bank Charges			0	30,763		
Terrazzo flooring	1,899,188		1,899,188	1,712,127		90%
Fees on boarding equipment and stores	59,261,200		59,261,200	46,766,677		79%
Service gratuity account			0	604,625		
Food staff recovery	0		0	-		
Activity	0		0	-		
Refunds			0	254,319	(254,319)	
IGA Account			0	1,777,318	(1,777,318)	
Totals	104,054,538	0	104,054,538	128,847,826	(5,653,930)	105.4%

OVER UTILIZATION OF THE BUDGET ABOVE 100% IS DUE TO THE PREPARATION OF THE ACCOUNTS ON THE BASIS OF MODIFIED ACCRUAL BASIS .WERE CREDITORS AND DEBTORS HAVE BEEN INCORPORATED INTO THE FINAL ACCOUNTS

7. 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

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.

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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

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 2023.

8. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	5,292, 189	6,110,952
Others (<i>specify</i>)*		
Total	5,292, 189	6,110,952

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	13,600	-
Repairs And Maintenance	-	10,155,000
Activity	1,086,438	
Medical		370,600
Insurance	389,900	
Food stuff		18,660
Local transport / travelling		
Other Vote Heads	13,959,953	16,199,102
Total	15,449,891	26,743,362

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	7,741,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	6,028	-
Other (<i>specify</i>)(NGCDF and County govt.	-	-
Total	7,747,028	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023 KSh	2021-2022 KSh
Fee on Boarding Equipment and stores	72,031,307	52,432,245
Personnel emoluments	8,351,172	9,254,537
Repairs and maintenance	3,716,242	5,442,629
Local transport / travelling	2,466,498	4,252,399
Electricity and water	9,154,416	12,778,035
Administration costs	7,922,908	13,545,278
Medical		-
Infrastructure		
Activity	657,315	1,766,752
PA Account	1,192,708	
Total	105,492,566	99,471,875

5 Miscellaneous Incomes

Description	2022-2023 KSh	2021-2022 KSh
Rent Income	43,400	79,550
Income From Farming Activities	193,170	440,348
Bakery		14,000
Food stuff recovery		58,490
Damages		4,867,525
PA Account	1,192,708	
Donations		106,600
KMF Village	1,384,148	
Uniform income	200,100	443,325
Income From Bus Hire	103,000	103,000
Income from IGA Account	1,485,500	1,150,000
Income from Service Gratuity	485,500	510,000
Loss recovery	141,650	268,510
Sale of scrap metal		169,150
Total	4,036,468	8,210,498

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks		
Exercise Books		4,235,930
Laboratory Equipment	1,405,913	1,485,969
Teaching / Learning Materials	4,146,980	542,095
Chalk		
Internal exams	478,120	1,182,647
Stationeries		
Bank Charges	7,261.	1,350
Total	6,038,274	7,447,991

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	7,894,894	7,240,323
Electricity And Water	596,747	1,184,575
Administration Cost	4,074,602	4,963,593
Repairs And Maintenance & Improvements	732,200	
Local Transport / Travelling	872,034	1,151,867
Service Gratuity	176,135	329,160
Food stuffs		32,490
Medical	33,750	
Activity Expenses	883,740	139,400
Construction of six number classrooms and 24 door latrine		5,446,983
Covid-19 expenses		
Bank charges	10,906	7,620
Ablution block		
Classrooms 2 units	-	-
Total	15,275,008	20,496,011

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023 KShs	2021-2022 KShs
Construction of classrooms	721,780.00	1,639,668
Construction of laboratory	-	
Construction of 480 Capacity Dormitory	13,324,099.00	
Purchase of furniture	-	
Purchase of apparatus	-	
CBC classroom	600,000.00	
Bank charges	7,979.40	
Total	14,653,858.40	1,639,668

9 Boarding And School Fund

Description	2022-2023	2021-2022
	KShs	KShs
Activity	2,800,090	
Insurance motor vehicle	161,741	-
Bus Hire	40,000	-
Farm	155,050	247,790
Local travel and Transport	5,478,605	5,797,861
Personal emoluments	8,509,156	9,053,064
KMF Village	1,078,630	
Repairs and maintenance & Improvements	3,795,166	1,709,950
uniform expenses	206,275	
Electricity and water	3,561,955	7,122,377
Medical Expenses	458,270	462,855
Administration costs	11,004,419	15,544,188
dormitory fire damages repair		3,669,524
gratuity	485,500	
bank chrges	30,763	64,420
terrazzo flooring	1,712,127	882,759
Fee on Boarding Equipment and Stores	46,766,677	47,480,982
Service gratuity a/c	604,625	1,440,830
foodstuff recovery		39,450
Activity		232,000
Refunds	254,319	278,297
IGA Account	1,777,318	579,929
TOTAL	88,880,686	94,606,277

(VIHIGA FRIENDS HIGH SCHOOL)

Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements (continued)

10 Bank Balances

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
			Kshs	Kshs
Tuition Account	Active	1102368237	382,082	3,824
Operations Account	Active	1102382116	2,012,997	16,388
School Fund Account/Boarding	Active	1102382272	89,912	698,642
Savings Account/Gratuity	Active	1277873321	119	7,595
Infrastructural Account	Active	0960294579786	1,124,582	8,258,413
PMC Account	Dormant	1240065159	194,823	194,823
Income Generating Activities Account	Active	1282360744	246,866	19,514
Total			4,051,382	9,199,200

11 Cash Balances

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account		
Operations Account	-	-
School Fund Account/Boarding	21,636	79,605
Total	21,636	79,605

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees Arrears	110,382,653		89,663,129	
NSSF	345,949		345,949	
KUDHEIHA workers	200		200	
UNION DUES	20,786		20,786	
Salary Advances (list/schedule attached)	74,700		84,700	
PAYEE	2,518		6,346	
Rent arrears (list/schedule attached)	764,550		784,800	
HELB	36,863		36,863	
Total	111,628,219		90,942,773	

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Current FY	% of the total	Comparative FY	% of the total
Fees arrears for current year	30,523,971	27%	23,391,172	26%
Fees arrears for previous year	13,586,725	12%	6,025,765	7%
Fees arrears for prior periods (over two years)	66,271,957	60%	60,246,192	67%
	110,382,653	100%	89,663,129	100%

14 Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	31,399,917		27,849,673	
NHIF	1,780,238		1,780,238	
Cooperative	2,718,232		2,718,232	
Pocket money	18,925		18,925	
Prepaid Fees	2,860,345		4,101,245	
Caution money	835,463		835,463	
Total	39,613,119		37,303,776	

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs	Kshs	Kshs	Kshs
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	19,899,841	63%	22,438,268	81%
Between 1- 2 years	6,088,670	19%	429,100	2%
Between 2-3 years	5,411,405	17%	4,982,305	17%
Total (should tie to note 14)	31,399,917	100%	27,849,673	100%

15 Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Kshs	Kshs	Kshs	Kshs
Bank Balances	9,199,200		6,532,935	
Cash Balances	79,605		109,420	
Short Term Investments				
Receivables	90,942,773		72,880,882	
Payables	37,303,776		34,591,842	
Total	62,917,803		44,931,395	

Other important disclosure notes

IPSAS Cash Standard 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.

16 Non-current Liabilities Summary

Description	2022-2023 Kshs	2021-2022 Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023 Kshs	2021-2022 Kshs
Cattle	5	5	6
Goats	0	-	-
Trees	94	94	88
Coffee Or Tea Plantation	0	-	-
Poultry	0	-	-
Calves	0	1	1
Total	99	100	94

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
Food stuffs	450,170	-
Lab consumables	160,120	-
Farm produce		-
Medication and Drugs	43000	-
Construction Materials	-	-
Others all Categories	-	1,958,910
TOTAL	653,290	1,958,910

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

(VIHIGA FRIENDS HIGH SCHOOL)

Annual Report and Financial Statements For the year ended 30th June 2023

20 Progress On Follow Up Of Auditor Recommendations

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

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

Sign and Date
Principal

9. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To Date	Amount Outstanding	Balance	Comments
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
1. Sundry Creditors – Boarding a/c	10,171,613			12,489,332		
2. Sundry Creditors – Operations A/c	2,888,778			2,719,670		
3. Sundry Creditors – Tuition a/c	7,023,889			3,939,089.		
Sub-Total	20,084,280			19,148,091		
Supply Of Services						
1. Benard Omung'a	272,000			245,000		
2. Sunshine Automobiles	567,866			179,662		
3. Others See list Attached	1,514,122			506,750		
Sub-Total	2,353,988			931,412		
Grand Total	22,438,268			19,899,841.00	22,438,268.00	

A detailed Analysis of school Pending accounts payables Attached below

Annex 2 – Summary of Fixed Assets Register


Asset Class	Date of Acquisition	Location	Historical Cost	Depreciation	Impairment	Historical Cost/Carrying Amount
Land 1	1964		15,000,000	0	0	15,000,000
Land 2	1964		3,000,000	0	0	3,000,000
Buildings and structures			400,000,000	12000000	0	412,000,000
Motor vehicles :School Bus	23/3/2006	school	7,150,000	0	0	7,150,000
School Van	30/3/2012		2,513,823			2,513,823
Office equipment, furniture and fittings			34,200,000	3000,000		37,200,000
ICT Equipment, and Other ICT Assets	2017	Computer lab	1,850,000	1,015,000	0	2,865,000
Tools and apparatus	2018		600,000	0	0	600,000
Textbooks			12,600,000	0	0	12,600,000
Other Machinery and Equipment: Generator 1	2008	school	1,800,000	3,247,000	0	5,047,000
Heritage and cultural assets						
Intangible assets- soft ware:		Accounts Office	150,000	80000	0	230,000
Accounting Program	2018		200,000			200,000
Zeraki Program for exams analysis	2021	Evaluation office				
Total			471,913,823	19,342,000		491,255,823

Detailed school asset list Attached).


VIHIGA FRIENDS HIGH SCHOOL

LIST OF ASSETS 2022/2023

NO	ITEM	NO IN STORE
1	LAND	3.6Ha
2	SCHOOL BUS (ISUZU KAW 457Z)	1
3	SCHOOL VAN (TOYOTA HILUX KBR 335U)	1
4	GENERATOR (PA66GF30 204084379) (GASTON POWER MPLS100S-1-SR)	1 1
5	BAKERY	1
6	POSHO MILL	1
7	DOUBLE DECKER BEDS	988
8	STUDENTS DESKS	1970
9	STUDENTS CHAIRS	1970
10	DESK TOP COMPUTERS	59
11	LAP TOP	11
12	SAMSUNG PLASMA T.V (51" PSSIF)	1
13	SAMSUNG T.V 32"	1
14	KEYBOARD (YAMAHA 5700)	1
15	RADIO CASSETTE(TOSHIBA TX-DK 3000 DVD MPS – USB)	1
16	LG HIFI CD(CJ 98)	1
17	AMP MIXER (YAMAHA SMX – 12000D)	1
18	AHUJA AMPLIFIER(SSA – 250M)	1
19	BOX SPEAKER	2
20	WOOFER DELL SPEAKER	1
21	YAMAHA DRUM (5PCS)	1SET
22	PRS – 7000	1
23	PRS - 650	1
24	MICROPHONES (WIRELESS)	2
25	MICROPHONES (CORDED)	4
26	SPEAKER (PEAVEY 15")	1
27	TEACHERS CHAIRS	85
28	TEACHERS DESKS	85
29	EXECUTIVE CHAIRS	10
30	EXECUTIVE TABLES	1

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Sign: 
P. O. Box 140 - 50300, MARAGOLI

31	CONFERENCE TABLE	1
32	BOARD- ROOM TABLE	6
33	BOARD – ROOM CHAIRS	20
34	SOFASET	3
35	FRIDGE RAMTONS	1
36	DEEP FRIZER	1
37	PHOTOCOPY MACHINE (ECOSYS FS- 6525 MFP)	1
38	L.G T.V (232 24')	1
39	PRINTER (H.P PHOTOSMARR)	1
40	PRINTER (KYOCERA FS – 2100 DN)	1
41	PRINTER (HP LASERJET PRO 400)	2
42	PRINTER (KYOCERA FS4200DN)	1
43	PRINTER (EPSON L 850)	1
44	PRINTER (FS 1025MFP)	1
45	PHOTOPRINTER (RISO SS2)	1
46	PROJECTOR (ACTR)	1
47	PRINTER LESER-JET PRO (M102A)	3
48	CAP BOARD	9
49	FILE CABINET (STEEL)	1
50	WELDING MACHINE (BIG)	1
51	WELDING MACHINE (SMALL)	1
52	DORMITORIES: LUVAI BLOCK – 3 STOREY INDIRE AGOI GOVERNMENT LITU SAFARICOM MUDAVADI	1 1 1 1 1 1 1
53	CLASS ROOMS	43
54	LIBRARY	1
55	MULTIPURPOSE HALL	1
56	DINING HALL	50
57	DINING TABLES	200
58	DINING CHAIRS	

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02 AUG 2024
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