

REPUBLIC OF KENYA



Enhancing Accountability



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|--------------------------------------|--|
| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 03 DEC 2024 | DAY: Tuesday |
| TABLED BY: | Hon. Kimani Ichung'och (Leader of the Majority Party) |
| OF THE TABLE: | Anastacia |

REPORT

THE AUDITOR-GENERAL

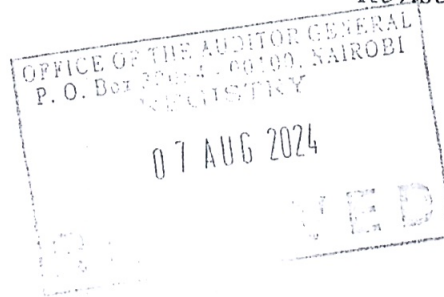
ON

MOI HIGH SCHOOL MBIRURI

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

EMBU COUNTY

Revised 30th June 2021.



**MOI HIGH SCHOOL MBIRURI
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021**

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Embu County, Embu East Sub-County

The school was registered in 18/10/2011 under registration number PU/S/3/2099/11 and is currently categorized as a NATIONAL public school established, owned or operated by the Government.

The school is a boarding school and had 1268 number of students as at 30th June 2021. It has 7 streams and 52 teachers of which 10 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

| Ref: | Name of Board Member | Designation | Date of Appointment |
|------|--------------------------|--------------|---------------------|
| 1 | Mr. Peterson K Muthathai | Chairman | April 2019 |
| 2 | Mr Nderitu Patrick Maina | Secretary | April 2019 |
| 3 | Mr Elly Karuguti | Member | April 2019 |
| 4 | Mrs Mary I Kavinda | Member | April 2019 |
| 5 | Mr Joseph Kiogora | PTA Chairman | April 2019 |
| 6 | Mrs Niceta Williams | Member | April 2019 |
| 7 | Mrs Mary Jason | Member | April 2019 |
| 8 | Mr Peter N.Runguma | Member | April 2019 |
| 9 | Mr Lawrence Kirimi | Member | April 2019 |
| 10 | Dr. Gedion Kasivu | Member | April 2019 |
| 11 | Rev. Edward Gitonga | Member | April 2019 |
| 12 | Dr. Eunice Kinyua | Member | April 2019 |
| 13 | Ms Ruth Ruraa | Member | April 2019 |
| 14 | Mr Anthony Murithi | Member | April 2019 |
| 15 | Victor Nderitu Kiragu | Rep Students | April 2019 |

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

| Ref. | Name of Committee | Names of Members | Designation | Number of meetings attended during the year |
|------|---|---|--|---|
| 1. | Executive Committee | Mr. Peterson Muthathai Mr. Nderitu P. Maina Mrs. Mary Kavinda Mr. Elly Karuguti | Chairman Secretary Member Member | 6 |
| 2 | Audit Committee | All BOM members | | 1 |
| 3 | Finance, Procurement and General Purposes Committee | Mr. Muthathai Peterson Mr. Karuguti Elly Mrs. Kavinda Mary Mr. Nderitu Patrick Maina | Chairman BOM Member Member Secretary | 1 |
| 4 | Academic Committee | Ms Ruth Ruraa Dr. Eunice Kinyua Mrs. Mary Jason Mr. Anthony Murithi | Chair Member Member Member | 2 |
| 5 | Development Committee | Mr. Elly Karuguti Mr. Joseph Kiogora Mr. Peter Runguma Ms Niceta Williams | Chairman Member Member Member | 5 |

PUBLIC SECONDARY SCHOOL - MOI HIGH SCHOOL MBIRURI
Annual Report and Financial Statements
For Six Months Period Ended 30th June 2021

| Ref: | Name of Committee | Names of Members | Designation | Number of meetings attended during the year |
|------|--|---|---------------------------------|---|
| 6 | Discipline and Welfare Committee | Mr. Peterson K Muthathai Mr. Nderitu Patrick Maina Mr. Elly Karuguti Mrs. Mary I Kavinda Mr. Joseph Kiogora Mrs. Niceta Williams Mrs. Mary Jason Mr. Peter N.Runguma Mr. Lawrence Kirimi Rev. Edward Gitonga Dr. Eunice Kinyua Ms Ruth Ruraa | | 2 |
| 7 | Adhoc Committee (if any during the year) | Mr. Karuguti Mr. Nderitu Maina Mrs Mary Kavinda | Chairman Secretary Member | 2 |

(d) School Operation Management

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

| Ref: | Designation | Name | TSC Number |
|------|------------------|---|------------|
| 1 | Principal | Nderitu Patrick Maina | 323579 |
| 2 | Deputy Principal | Kirimi Lawrence (Deputy Principal Administration) | 337294 |
| | | Kubai Jeremiah (Deputy Principal Academics) | 361407 |
| 3 | School Bursar | Zachary Njiru Njue | 20658623 |

(e) Schools Contacts

Address : P.O. Box 34-60103, Runyenjes
 Telephone : 0707082868
 E-mail : moimbiruri@yahoo.com

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(f) School Bankers

The school operated 9 bank accounts as listed below:

1. Name of Bank : KCB
Branch : EMBU
Account Numbers : 1102974943
1102759554

2. Name of Bank : EQUITY BANK
Branch : RUNYENJES
Account Number : 0190278610515
0190276262815
1350279323941

3. MPESA Pay Bill No. 522123 attached to 30237K in KCB bank account

4. Name Of Bank : COOPERATIVE BANK
Account Number : 01139051747200
01139051747201
01139051747203

5. Name Of Bank : Nawiri Sacco Co-operative Society Ltd
Account Number : 102200042678

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

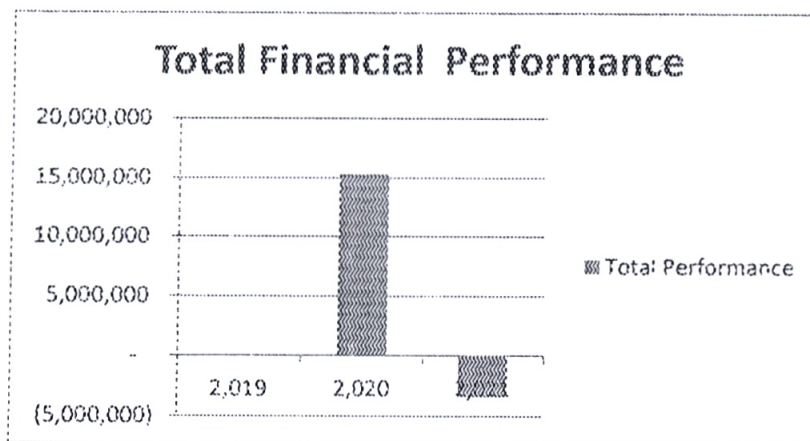
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*

| Financial Performance - Deficits and/or Surpluses 3 Year Trend | | | | | | | |
|--|-------------|-----------|---------|----------------|----------|-------------|-------------|
| Year | Account | | | | | | |
| | School Fund | Operation | Tuition | Infrastructure | Farm | PA-DEVT | Total |
| 2,019 | - | - | - | - | - | - | - |
| 2,020 | 8,835,191 | (9,741) | 3,614 | 3,995,410 | (92,907) | 2,576,150 | 15,307,718 |
| 2,021 | 2,178,049 | 653,693 | 3,933 | (3,666,638) | 156,993 | (2,697,760) | (3,371,730) |
| Total | 11,013,240 | 643,952 | 7,547 | 328,773 | 64,086 | (121,610) | 11,935,988 |

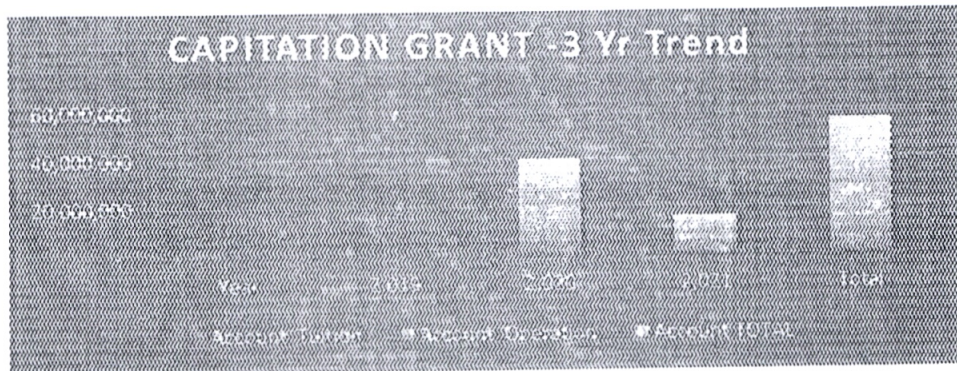
| Year | Total Performance |
|-------|-------------------|
| 2,019 | - |
| 2,020 | 15,307,718 |
| 2,021 | (3,371,730) |



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

Growth of capitation grant over the last three years

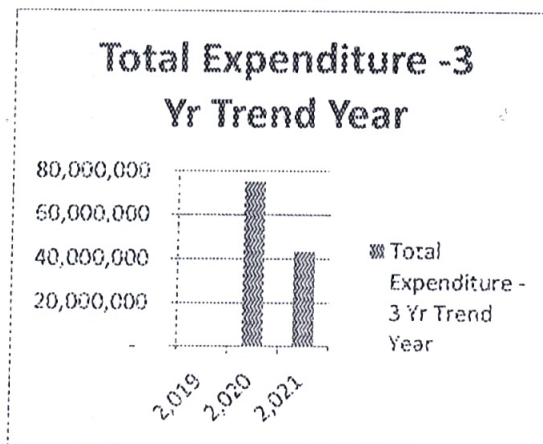
| CAPITATION GRANT - 3 Yr Trend | | | | |
|-------------------------------|-----------|------------|------------|--|
| Year | Account | | TOTAL | |
| | Tuition | Operation | | |
| 2019 | - | - | - | |
| 2020 | 1,915,739 | 18,108,177 | 20,023,916 | |
| 2021 | 1,346,243 | 6,639,526 | 7,985,768 | |
| Total | 3,261,982 | 24,747,703 | 28,009,684 | |



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)
-Ratio of capitation grant per student over the last three years

| YEAR | School Fund | Operation | Toition | Farm | Infrastructore | PA-DEVT | Yr Total |
|--------------|-------------------|-------------------|------------------|------------------|------------------|------------------|--------------------|
| 2,019 | - | - | - | - | - | - | - |
| 2,020 | 49,412,775 | 18,117,918 | 1,912,125 | 2,958,766 | 144,590 | 2,423,850 | 74,970,024 |
| 2,021 | 26,065,034 | 5,985,833 | 1,342,310 | 1,397,756 | 5,736,230 | 2,697,760 | 43,224,923 |
| Total | 75,477,809 | 24,103,751 | 3,254,435 | 4,356,522 | 5,880,820 | 5,121,610 | 118,194,947 |

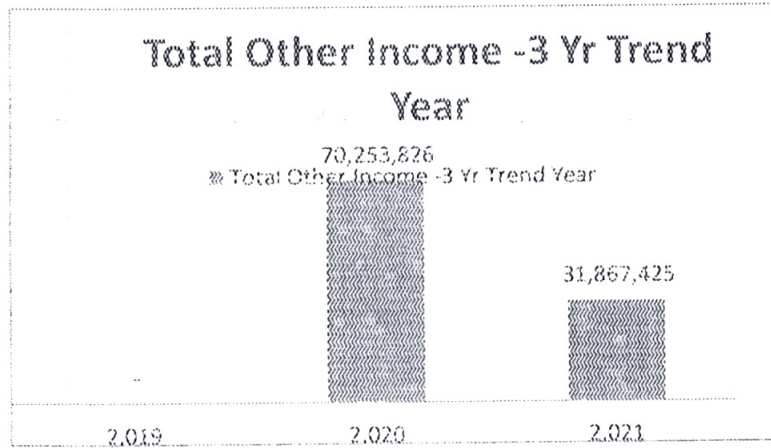
| Year | Total Expenditure |
|-------|-------------------|
| 2,019 | - |
| 2,020 | 74,970,024 |
| 2,021 | 43,224,923 |



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)
- A three-year overview of growth in expenditure of the school

| Growth of Other Incomes -3 Yr Trend | | | | | | |
|-------------------------------------|-------------------|------------------|------------------|------------------|---|--------------------|
| YEAR | Income Source | | | | | Total |
| | School Fund | Farm | Infrastructure | PA-DEVT | | |
| 2.019 | - | - | - | - | - | - |
| 2.020 | 58,247,966 | 2,865,859 | 4,140,000 | 5,000,000 | | 70,253,826 |
| 2.021 | 28,243,683 | 1,554,749 | 2,069,593 | - | | 31,867,425 |
| Total | 86,491,649 | 4,420,608 | 6,209,593 | 5,000,000 | | 102,121,250 |

| Total Other Income -3 Yr Trend | |
|--------------------------------|------------|
| Year | |
| 2.019 | - |
| 2.020 | 70,253,826 |
| 2.021 | 31,867,425 |

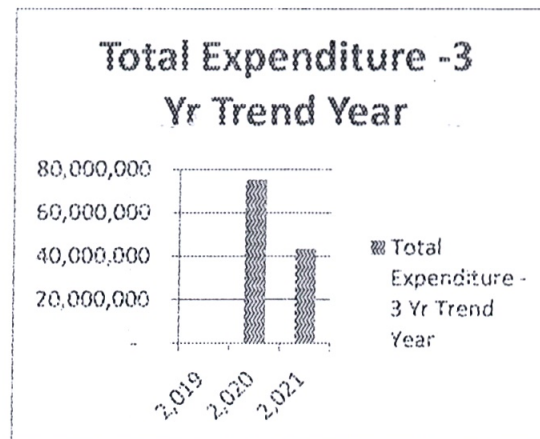


SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

- *A three-year overview of growth of expenditure(s) by the school.*

| YEAR | School Fund | Operation | Tuition | Farm | Infrastructure | PA-DEVT | Yr Total |
|--------------|-------------------|-------------------|------------------|------------------|------------------|------------------|--------------------|
| 2,019 | - | - | - | - | - | - | - |
| 2,020 | 49,412,775 | 18,117,918 | 1,912,125 | 2,958,766 | 144,590 | 2,423,850 | 74,970,024 |
| 2,021 | 26,065,034 | 5,985,833 | 1,342,310 | 1,397,756 | 5,736,230 | 2,697,760 | 43,224,923 |
| Total | 75,477,809 | 24,103,751 | 3,254,435 | 4,356,522 | 5,880,820 | 5,121,610 | 118,194,947 |

| Total Expenditure -3 Yr Trend | |
|-------------------------------|------------|
| Year | |
| 2,019 | - |
| 2,020 | 74,970,024 |
| 2,021 | 43,224,923 |

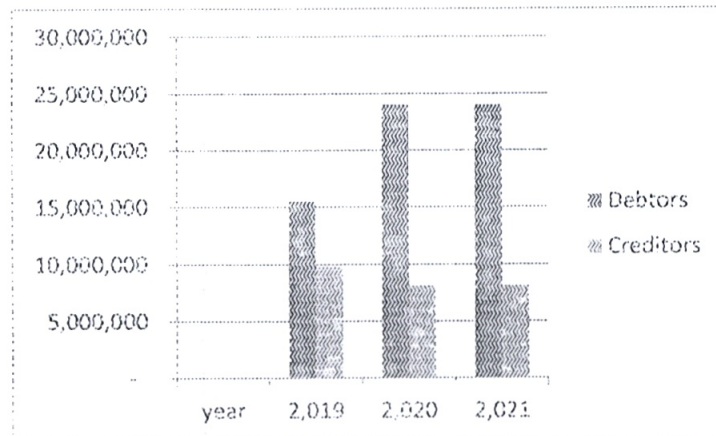


SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

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

| | | Debts and Creditors -3Yr Trend | | | | | | |
|-------|-----------|--------------------------------|-----------|---------|-----------|----------------|---------|------------|
| | | Account | | | | | | |
| Year | | School Fund | Operation | Tuition | Farm | Infrastructure | PA-DEVT | Yr Total |
| 2,019 | Debtors | 15,518,943 | | | | | | 15,518,943 |
| | Creditors | 9,787,820 | - | - | 395,000 | - | - | 9,787,820 |
| 2,020 | Debtors | 24,060,447 | - | - | - | - | - | 24,060,447 |
| | Creditors | 7,705,969 | - | - | 395,000 | - | - | 8,100,969 |
| 2,021 | Debtors | 24,060,447 | - | - | - | - | - | 24,060,447 |
| | Creditors | 7,705,969 | - | - | 395,000 | - | - | 8,100,969 |
| Total | Debtors | 63,639,837 | - | - | - | - | - | 63,639,837 |
| | Creditors | 24,304,758 | - | - | 1,185,000 | - | - | 25,989,758 |

| year | Debtors | Creditors |
|-------|------------|-----------|
| 2,019 | 15,518,943 | 9,787,820 |
| 2,020 | 24,060,447 | 8,100,969 |
| 2,021 | 24,060,447 | 8,100,969 |



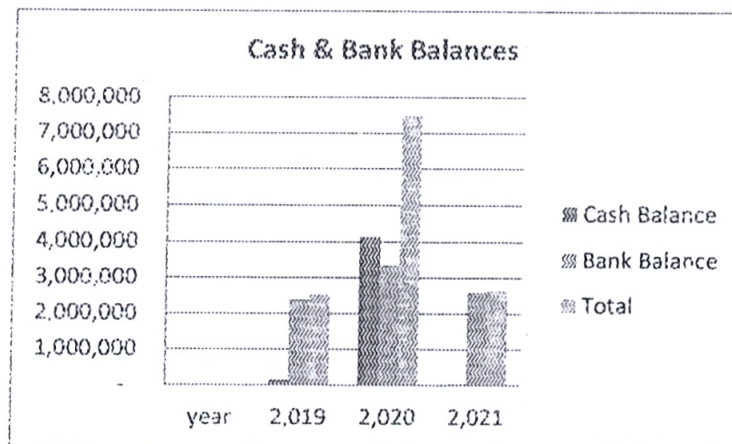
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

a) Financial performance:

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

| | | Cash and Bank Balances -3Yr Trend | | | | | | | |
|-------|-------|-----------------------------------|-----------|---------|---------|----------------|-----------|-----------|-----------|
| | | Account | | | | | | | |
| | | School Fund | Operation | Tuition | Farm | Infrastructure | PA-DEVT | Yr Total | |
| Year | 2,019 | Cash | 4,160 | 2,689 | - | - | 139,710 | - | 146,559 |
| | | Bank | 1,920,879 | 17,134 | 10,150 | 159,823 | 108,381 | 159,823 | 2,376,189 |
| 2,020 | Cash | 2,058 | 655 | - | 1,303 | 4,135,120 | - | 4,139,136 | |
| | Bank | 572,792 | 9,427 | 13,764 | 14,171 | - | 2,735,973 | 3,346,127 | |
| 2,021 | Cash | 31,980 | 655 | - | 1,703 | - | - | 34,338 | |
| | Bank | 1,118,180 | 663,120 | 17,697 | 170,764 | 468,483 | 154,912 | 2,593,155 | |
| Total | Cash | 38,198 | 3,999 | - | - | 4,274,830 | - | 4,317,027 | |
| | Bank | 3,611,851 | 689,681 | 41,612 | 344,757 | 576,863 | 3,050,707 | 8,315,471 | |

| year | Cash Balance | Bank Balance | Total |
|-------|--------------|--------------|-----------|
| 2,019 | 146,559 | 2,376,189 | 2,522,748 |
| 2,020 | 4,139,136 | 3,346,127 | 7,485,263 |
| 2,021 | 34,338 | 2,593,155 | 2,627,493 |



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

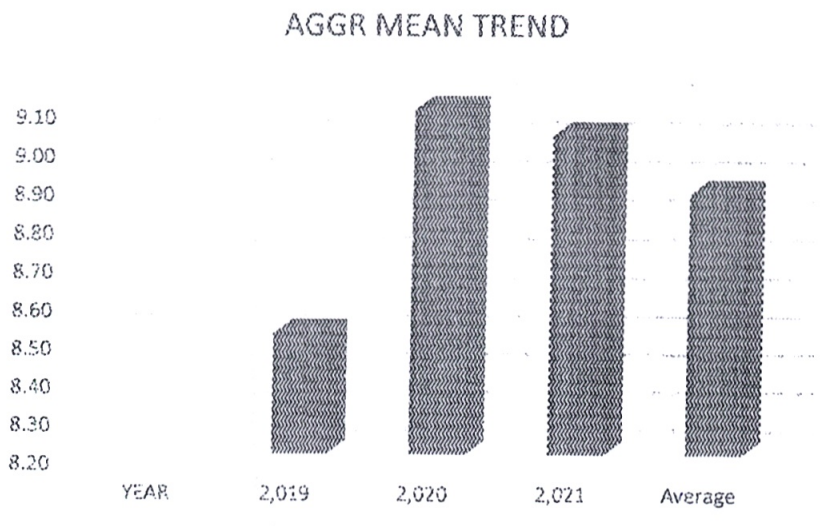
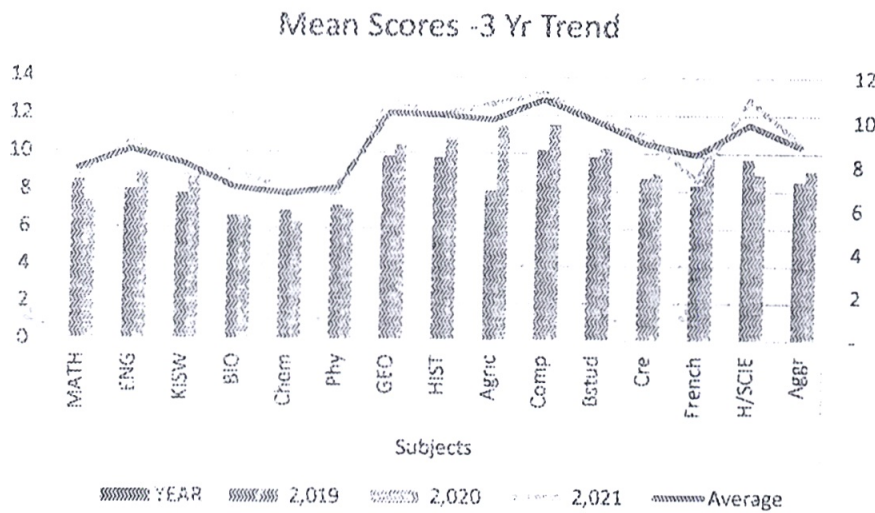
b) Teacher Student ratio:

| | |
|---|-----------|
| Ratio of students to Teachers | |
| Total enrolment | 1268 |
| Total No of Teachers | 51 |
| Students : Teachers ratio | 25:1 |
| Teachers Turnover | |
| No. of teachers recruited in the year | 7 |
| No. of teachers transferred inwards in the year | 5 |
| No. of teachers Transferred outwards in the year | 4 |
| Net Inflow of teachers | 8 |
| Teachers Employment | |
| No. of teachers required by CBE | 60 |
| No. of teachers employed by TSC | 41 |
| Shortage / Surplus No. of teachers before BOM teachers | 19 |
| No. of teachers employed by BOM | 10 |
| Net Shortage / Surplus No. of teachers | 9 |

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

c) Mean score in the 2018, 2019 & 2020 KCSE:

| MEAN SCORES - 3 Yr Trend | | | | | | | | | | | | | | | |
|--------------------------|----------|-----|------|-----|------|-----|-----|------|-------|------|-------|-----|--------|--------|-------|
| Year | Subjects | | | | | | | | | | | | | | Aggr. |
| | Math | Eng | Kisw | Bio | Chem | Phy | Geo | Hist | Agric | Comp | Bstud | CRE | French | H/Scie | |
| 2019 | 9 | 8 | 8 | 7 | 7 | 7 | 10 | 10 | 8 | 10 | 10 | 9 | 8 | 10 | 8.52 |
| 2020 | 7 | 9 | 9 | 7 | 6 | 7 | 10 | 11 | 11 | 12 | 10 | 9 | 10 | 9 | 9.10 |
| 2021 | 8 | 9 | 8 | 8 | 7 | 7 | 11 | 10 | 11 | 11 | 10 | 9 | 7 | 11 | 9.03 |
| Average | 8 | 9 | 8 | 7 | 7 | 7 | 10 | 10 | 10 | 11 | 10 | 9 | 9 | 9.87 | 8.88 |

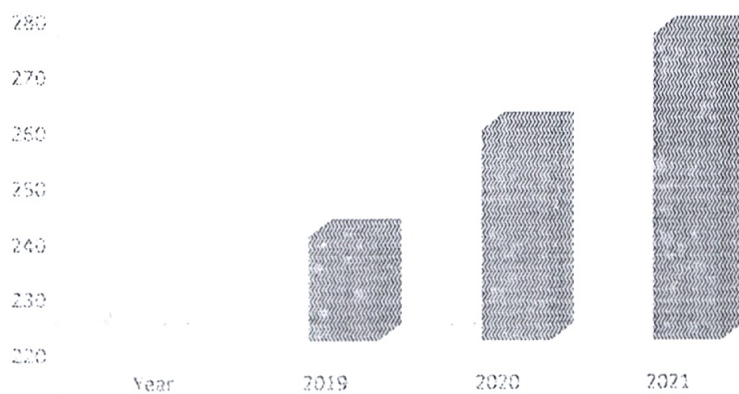


SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

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

| Year | Number of Candidates |
|------|----------------------|
| 2019 | 239 |
| 2020 | 258 |
| 2021 | 275 |

NUMBER OF CANDIDATES



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

e) Capacity of the school:

| Area | Means of infrastructure measurement | Quantity of infrastructure required | Actual quantity of infrastructure available | Infrastructure gap |
|---------------|-------------------------------------|-------------------------------------|---|--------------------|
| Classrooms | No | 36 | 26 | 10 |
| Laboratories | No | 8 | 6 | 2 |
| Toilet Doors | No | 112 | 72 | NIL |
| Offices | No | 16 | 10 | 6 |
| Dining Hall | Number of students well seated | 1268 | 800 | 468 |
| Library | Number of students well seated | 450 | 50 | 400 |
| Hostels | Number of Decker Beds well-spaced | 634 | 634 | NIL |
| Staffroom | Number of teachers well seated | 60 | 45 | 15 |
| Boardroom | Number of BOM members well seated | 25 | 18 | 7 |
| Textbooks | Average Students- Course book ratio | 1 | 1 | 0 |
| Water | Adequacy | Adequate | Adequate | 0 |
| Electricity | Adequacy | Adequate | Adequate | 0 |
| Staff housing | Number of staff properly housed | 90 | 21 | 69 |

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

D) Development projects carried out by the school:

| Projects Analysis | |
|---|---------------------|
| Name of Project: 3 STOREY (12 No.) CLASSROOMS | |
| Estimated (BQ) Cost | Ksh. 25,000,000 |
| Source(s) of Funding | MOE-TIG/MIF |
| Type of contract | Labour Only |
| Contract Cost | Ksh. 8,000,000 |
| Start Date of project | 2020 November |
| Expected Completion date | 2022 October |
| Status (Stalled, WIP, Complete) | WIP |
| Amount due on project | Kshs. 2,000,000 |
| Amount paid | Kshs. 6,000,000 |
| Amount pending | Kshs. 3,000,000 |
| comment on project success/challenges | Project IN PROGRESS |

Sign



School Principal

SECRETARY B.O.M
 MOI HIGH SCHOOL-MBIRURI
 P. O. Box 34-60193, RUNYENJES
 Date Sign.....

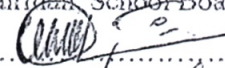
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

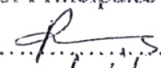
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

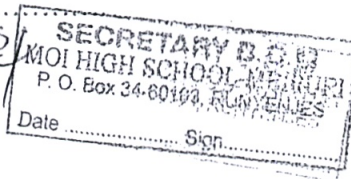
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

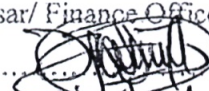
The Board of Management of (*Moi High School Mbiruri*) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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, 2021 and of the school's financial position as at that date.

Name: Peterson K. Muthathai
Designation: Chairman, School Board of Management
Sign: 
Date: 3/8/24

Name: Nderitu Patrick Maina
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 3/8/24



Name: Zachary Njiru Njue
Designation: Bursar/ Finance Officer
Sign: 
Date: 3/8/24

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MOI HIGH SCHOOL MBIRURI FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021- EMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Moi High School Mbiruri - Embu County set out on pages 20 to 37, 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 Moi High School Mbiruri - Embu County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.24,060,447 as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.7,669,558 which have been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.7,669,558 could not be confirmed.

2. Inaccurate Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects Nil final budget amount both in the income and expenditure columns. Further, the statement reflects total expenditure of Kshs.44,142,973 whereas the statement of receipts and payments reflects expenditure amounting to Kshs.43,224,923 resulting to unexplained variance of Kshs.918,050.

In the circumstances, the accuracy and completeness of the statement of budgeted versus actual amounts could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.5,600,000 against actual receipts of

Kshs.40,771,243 resulting to an over-collection of Kshs.35,171,243 of the budget. However, the School spent balance of Kshs.44,142,973 against actual receipts of Kshs.40,771,243 resulting to over-utilization of Kshs.3,371,236 of the actual receipts. Further, the Schools budget was not balanced as required by financial regulations.

The over-collection and over-utilization are indicators of poor and unrealistic budgeting making process and may have impacted negatively on service delivery to the public.

My opinion is however not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Weaknesses in the Procurement of Goods and Services

The statement of receipts and payments reflects infrastructure expenses of Kshs.5,736,230 and CDF (grant expenses) of Kshs.2,697,760 as disclosed on Note 7(a) and Note 7(c) to the financial statements. The amount was spent on payments to various local suppliers for building materials and payment for labour-based contract for the construction of classrooms. However, review of the procurement process revealed that Management did not provide an annual procurement plan, appointment letters of the tender opening committee and tender opening minutes, Evaluation committee, Inspection and Acceptance Committees, and professional opinion as required by Section 44(2) of the Public Procurement and Asset Disposal Act, 2015.

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

2. Late Submission of the 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 statutory date of 30 September 2023. The financial statements were submitted on 12 May, 2023 which is nineteen (19) months after the

statutory deadline. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that the financial statements should be submitted to the Auditor-General within three (3) months after the closure of the fiscal year to which the accounts relate. Late submission of the financial report adversely affects the Auditor General in meeting the statutory deadlines.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Ownership Documents

Annex 2 to the financial statements reflects summary fixed assets register balance of Kshs.309,168,605 as at 30 June, 2021 in respect of fixed assets which includes land with a balance of Kshs.20,000,000 and buildings and structures with a balance Kshs.252,571,000. Further, the register excludes additional assets acquired of Kshs.8,433,990 during the period under review. However, title documents as proof of ownership of the twenty (20) acres piece of land were not provided for audit.

In the circumstances, the ownership and safe custody of 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in

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


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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 November, 2024

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

| DESCRIPTION OF VOTE HEAD | | Note | 2021 Kshs |
|----------------------------------|----------------|------|--------------------|
| RECEIPTS | | | |
| Capitation grants for | Tuition | 1 | 1,346,243 |
| Capitation grants for | Operation | 2 | 6,639,526 |
| Parents' Contributions income In | School Fund | 3 | 28,243,083 |
| Income- Other receipts | School Fund | 4 | - |
| Income in | Infrastructure | 4a | 2,069,593 |
| Income in | Farm | 4b | 1,554,749 |
| Income in | PA-DEVT | 4c | - |
| Proceeds from borrowings | | | - |
| TOTAL RECEIPTS | | | 39,853,193 |
| PAYMENTS | | | |
| Payments for | Tuition | 5 | 1,342,310 |
| Payments for | Operation | 6 | 5,985,833 |
| Boarding and/or Lunch -Payments | School Fund | 7 | 26,065,034 |
| Expenses in | Infrastructure | 7a | 5,736,230 |
| Expenses in | Farm | 7b | 1,397,756 |
| Expenses in | PA-DEVT | 7c | 2,697,760 |
| TOTAL PAYMENTS | | | 43,224,923 |
| DEFICIT/SURPLUS | | | (3,371,730) |

The school financial statements were approved on _____ 2022 and signed by:

Sign: 

Name: PETERSON MUTHITHIA
 Chair BOM

Sign: 

Name: NDEROPU MAIMA
 School Principal/
 Secretary to BOM

Sign: 

Name: ZACHARY MBOLE
 Bursar/ Finance Officer

Date: 3/8/24

Date: 3/8/24

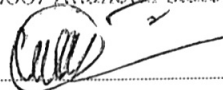
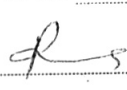
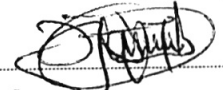
Date: 3/8/24

SECRETARY B.O.M
 MOI HIGH SCHOOL-MBIRURI
 P. O. Box 34-60103, RUNYENJES
 Date Sign.....

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

| | Note | 2021 Kshs |
|---------------------------------------|------|-------------------|
| FINANCIAL ASSETS | | |
| Cash and Cash Equivalents | | |
| Bank Balances | 8 | 2,593,155 |
| Cash Balances | 9 | 34,338 |
| Short term Investment | 10 | 1,708,241 |
| Total Cash and cash equivalent | | 4,335,734 |
| Account's receivables | 11 | 24,060,447 |
| TOTAL FINANCIAL ASSETS | | 28,396,181 |
| FINANCIAL LIABILITIES | | |
| Accounts Payables | 12 | 8,767,994 |
| NET FINANCIAL ASSETS | | 19,628,187 |
| REPRESENTED BY | | |
| Accumulated Fund b/fwd | 13 | 22,999,917 |
| Surplus/Deficit for the year | | (3,371,730) |
| NET FINANCIAL POSITION | | 19,628,187 |

The school financial statements were approved on _____ 2022 and signed by:

Sign:  Sign:  Sign: 

Name: PETERSON MULIATHIKA Name: NDERITU P MAINA Name: ZACHARY MJUBI
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer

Date: _____ Date: 3/8/24 Date: 2/8/24

SECRETARY B.O.M
 MOI HIGH SCHOOL-MBRIRURI
 Box 34-60103, RUNYENJES
 Date Sign

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

| | | 2021 |
|--|----------------|--------------------|
| | Note | Kshs |
| Receipts for operating income | | |
| Capitation grants for | Tuition | 1,346,243 |
| Capitation grants for | Operation | 6,639,526 |
| Income- Parents contributions/ fees | School Fund | 28,243,083 |
| Income- other receipts | School Fund | - |
| Receipts | Infrastructure | 2,069,593 |
| Receipts | Farm | 1,554,749 |
| Receipts | PA-DEVT | - |
| Total receipts | | 39,853,193 |
| Payments | | |
| Payments for | Tuition | 1,342,310 |
| Payments for | Operation | 5,985,833 |
| Boarding and/or Lunch payments in | School Fund | 26,065,034 |
| Payments in | Farm | 1,397,756 |
| Total payments | | 34,790,933 |
| Net cash flow from operating activities | | 5,062,260 |
| CASHFLOW FROM INVESTING ACTIVITIES | | |
| Acquisition of Assets | | (8,433,990) |
| Net cash flows from Investing Activities | | (8,433,990) |
| CASHFLOW FROM BORROWING ACTIVITIES | | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | (3,371,730) |
| Cash and cash equivalents at BEGINNING of the year | | 7,707,465 |
| Cash and cash equivalent at END of the year | | 4,335,734 |
| Cash and cash equivalents as per FA&FL | | 4,335,734 |

**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR SIX MONTHS
 PERIOD ENDED 30th JUNE 2021**

| Receipt/expenses Item | Original Budget | Adjustments | Final | Actual on Comparable Basis | Budget Utilization | % of Utilization |
|--|-----------------|-------------|--------|----------------------------|--------------------|------------------|
| | | | Budget | | Difference | |
| | c | b | c=a+b | d | e=c-d | f=d/e % |
| | Kshs | Kshs | | | Kshs | Kshs |
| RECEIPTS | | | | | | |
| <i>(1) CAPITATION GRANT ON TUITION INCOME</i> | | | | | | |
| TUITION | - | - | - | 1,346,243 | (1,346,243) | (100) |
| <i>Total CAPITATION GRANT ON TUITION INCOME</i> | | | | 1,346,243 | (1,346,243) | (100) |
| <i>(2) CAPITATION GRANT ON OPERATIONS INCOME</i> | | | | | | |
| OTHERS | - | - | - | 5,051,113 | (5,051,113) | (100) |
| RMI | - | - | - | 1,548,000 | (1,548,000) | (100) |
| STATUTORY DEDUCTIONS | - | - | - | 918,050 | (918,050) | (100) |
| MAIN ACCOUNT | - | - | - | 40,413 | (40,413) | (100) |
| <i>Total CAPITATION GRANT ON OPERATIONS INCOME</i> | | | | 7,557,576 | (7,557,576) | (100) |
| <i>(3) FEES CHARGED ON PARENTS INCOME</i> | | | | | | |
| BES | - | - | - | 13,350,778 | (13,350,778) | (100) |
| OTHERS | - | - | - | 8,797,370 | (8,797,370) | (100) |
| RMI | - | - | - | 945,123 | (945,123) | (100) |
| ACTIVITY | - | - | - | 231,122 | (231,122) | (100) |
| DEVELOPMENT | - | - | - | 2,389,842 | (2,389,842) | (100) |
| UNIFORM | - | - | - | 624,314 | (624,314) | (100) |
| BUS FUND | - | - | - | 65,000 | (65,000) | (100) |
| UNIVERSITY FORM | - | - | - | 60,748 | (60,748) | (100) |
| HOUSE RENT | - | - | - | 16,500 | (16,500) | (100) |

PUBLIC SECONDARY SCHOOL - MOI HIGH SCHOOL MBIRURI
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| Fees arrears recovered | (100) | 1,571,357 | (1,571,357) | | |
|------------------------------------|-------|-----------|-------------|--|--|
| Student Deposits | (100) | 162,929 | (162,929) | | |
| Club Deposits | (100) | 28,000 | (28,000) | | |
| (1) FEES CHARGED ON PARENTS INCOME | (100) | 28,000 | (28,000) | | |
| School Fund - OTHER INCOME | | | | | |
| SCHOOL FUND - OTHER INCOME | | | | | |
| INFRASTRUCTURE INCOME | | | | | |
| RAB OPERATION ACCOUNT | (100) | 2,069,593 | (2,069,593) | | |
| TOTAL INFRASTRUCTURE INCOME | (100) | 2,069,593 | (2,069,593) | | |
| FARM INCOME | | | | | |
| BAKERY SALES | (100) | 210,043 | (210,043) | | |
| FARM SALES | (100) | 265,550 | (265,550) | | |
| 2020 DEBTOR | (100) | 831,590 | (831,590) | | |
| SHARES/DIVIDENDS | (100) | 318 | (318) | | |
| STATUTORY DEDUCTIONS | (100) | 246,848 | (246,848) | | |
| Total Farm Income | (100) | 1,554,249 | (1,554,249) | | |
| CDP INCOME | | | | | |
| 2020 LABOUR CONTRACT | | 2,800,000 | (2,800,000) | | |
| TOTAL CDP INCOME | | 2,800,000 | (2,800,000) | | |
| TOTAL INCOME | | 5,600,000 | (5,600,000) | | |
| (1) EXPENDITURE FOR TUITION | | | | | |
| TUITION | (100) | 1,340,620 | (1,340,620) | | |
| BANKCHARGES | (100) | 1,690 | (1,690) | | |
| TOTAL EXPENDITURE FOR TUITION | (100) | 1,342,310 | (1,342,310) | | |
| (2) EXPENDITURE FOR OPERATIONS | | | | | |

PUBLIC SECONDARY SCHOOL - MOI HIGH SCHOOL MBIRURI
Annual Report and Financial Statements
For Six Months Period Ended 30th June 2021

| | | | | | | |
|---|------------------|--------------------|----------|-------------------|---------------------|--------------|
| OTHERS | - | - | - | 5,253,268 | (5,253,268) | (100) |
| INSURANCE | - | - | - | 723,175 | (723,175) | (100) |
| STATUTORY DEDUCTIONS | - | - | - | 925,950 | (925,950) | (100) |
| BANK CHARGES | - | - | - | 2,390 | (2,390) | (100) |
| TOTAL EXPENDITURE FOR OPERATIONS | - | - | - | 6,903,883 | (6,903,883) | (100) |
| (3) EXPENDITURE FOR SCHOOL FUND | | | | | | |
| BES | - | - | - | 14,646,839 | (14,646,839) | (100) |
| OTHERS | - | - | - | 6,464,634 | (6,464,634) | (100) |
| RMI | - | - | - | 906,513 | (906,513) | (100) |
| ACTIVITY | - | - | - | 48,347 | (48,347) | (100) |
| DEVELOPMENT | - | - | - | 671,880 | (671,880) | (100) |
| UNIFORM | - | - | - | 10,015 | (10,015) | (100) |
| BUS FUND | - | - | - | 57,650 | (57,650) | (100) |
| UNIVERSITY FORM | - | - | - | 129,000 | (129,000) | (100) |
| CAUTION | - | - | - | 1,000 | (1,000) | (100) |
| Student Deposits | - | - | - | 206,338 | (206,338) | (100) |
| Club Deposits | - | - | - | 4,000 | (4,000) | (100) |
| Creditors Paid | - | - | - | 2,918,818 | (2,918,818) | (100) |
| TOTAL School fund Payments | - | - | - | 26,065,034 | (26,065,034) | (100) |
| INFRASTRUCTURE PAYMENTS | | | | | | |
| BUILDING MATERIALS | - | - | - | 3,513,030 | (3,513,030) | (100) |
| LABOUR CONTRACT | 2,800,000 | (2,800,000) | - | 2,221,340 | (2,221,340) | (100) |
| BANK CHARGES | - | - | - | 1,860 | (1,860) | (100) |
| TOTAL INFRASTRUCTURE PAYMENTS | 2,800,000 | (2,800,000) | - | 5,736,230 | (5,736,230) | (100) |
| FARM PAYMENTS | | | | | | |

PUBLIC SECONDARY SCHOOL - MOI HIGH SCHOOL MBIRURI
 Annual Report and Financial Statements
 For Six Months Period Ended 30th June 2021

| | | | | | | |
|-----------------------------|------------------|--------------------|---|-------------------|---------------------|--------------|
| BAKERY SALES | - | - | - | 398,750 | (398,750) | (100) |
| FARM SALES | - | - | - | 420,688 | (420,688) | (100) |
| BAKERY SALARIES | - | - | - | 256,276 | (256,276) | (100) |
| FARM SALARIES | - | - | - | 62,500 | (62,500) | (100) |
| BANK CHARGES | - | - | - | 8,694 | (8,694) | (100) |
| SHARES/DIVIDENDS | - | - | - | 4,000 | (4,000) | (100) |
| STATUTORY DEDUCTIONS | - | - | - | 246,848 | (246,848) | (100) |
| TOTAL FARM PAYMENTS | | | | 1,397,756 | (1,397,756) | (100) |
| CDF PAYMENTS | | | | | | |
| 2020 LABOUR CONTRACT | 2,800,000 | (2,800,000) | - | 998,660 | (998,660) | (100) |
| BUILDING MATERIALS | - | - | - | 1,699,100 | (1,699,100) | (100) |
| Total CDF PAYMENTS | 2,800,000 | (2,800,000) | | 2,697,760 | (2,697,760) | (100) |
| GRAND TOTAL PAYMENTS | 5,600,000 | (5,600,000) | | 44,142,973 | (44,142,973) | (100) |

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements For Six Months Period Ended 30th June 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

| Note 1 CAPITATION GRANT FOR | |
|-----------------------------|------------------|
| | 2021 |
| | Kshs |
| TUITION | 1,346,243 |
| Total | 1,346,243 |

2 CAPITATION GRANT FOR OPERATIONS

| | 2021 |
|--------------|------------------|
| | Kshs |
| OTHERS | 5,051,113 |
| RMI | 1,548,000 |
| MAIN ACCOUNT | 40,413 |
| Total | 6,639,526 |

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

| | 2021 |
|------------------------|------------|
| | Kshs |
| BES | 13,350,778 |
| OTHERS | 8,797,370 |
| RMI | 945,123 |
| ACTIVITY | 231,122 |
| DEVELOPMENT | 2,389,842 |
| UNIFORM | 624,314 |
| - | - |
| BUS FUND | 65,000 |
| UNIVERSITY FORM | 60,748 |
| HOUSE RENT | 16,500 |
| Fees arrears recovered | 1,571,357 |
| Student Deposits | 162,929 |
| Club Deposits | 28,000 |

| | |
|------------------|-------------------|
| Sub-Total | 28,243,083 |
|------------------|-------------------|

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

| | 2021 Kshs |
|-----------------|--------------|
| EDU DEVELOPMENT | - |
| UNIFORM | - |
| BUS FUND | - |
| KCSE | - |
| UNIVERSITY FUND | - |
| HOUSING FUND | - |
| AGE | - |
| FARM | - |
| | - |

| Note 4a – RECEIPTS | |
|---------------------------|------------------|
| | 2021 Kshs |
| RMI OPERATION ACCOUNT | 2,069,593 |
| Sub-Total | 2,069,593 |

| Note 4b RECEIPTS | |
|-------------------------|------------------|
| | 2021 Kshs |
| BAKERY SALES | 210,043 |
| FARM SALES | 265,550 |
| 2020 DEBTOR | 831,590 |
| SHARES/DIVIDENDS | 718 |
| STATUTORY DEDUCTIONS | 246,848 |
| sub-Total | 1,554,749 |

| Note 4 c - INCOME | |
|----------------------|------|
| | 2021 |
| | Kshs |
| 2020 LABOUR CONTRACT | - |
| sub-Total | - |

Note 5 PAYMENTS FOR TUITION

| | |
|--------------|------------------|
| | 2021 |
| | Kshs |
| TUITION | 1,340,620 |
| BANKCHARGES | 1,690 |
| Total | 1,342,310 |

5 PAYMENTS FOR OPERATIONS

| | |
|----------------------|------------------|
| | 2021 |
| | Kshs |
| OTHERS | 5,253,268 |
| INSURANCE | 723,175 |
| STATUTORY DEDUCTIONS | 7,000 |
| BANK CHARGES | 2,390 |
| TOTAL | 5,985,833 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 BOARDING AND SCHOOL FUND PAYMENTS

| | |
|--------|------------|
| | 2021 |
| | Kshs |
| BES | 14,646,839 |
| OTHERS | 6,464,534 |
| RMJ | 906,513 |

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| | |
|------------------|-------------------|
| ACTIVITY | 48,347 |
| DEVELOPMENT | 671,880 |
| UNIFORM | 10,015 |
| BUS FUND | 57,650 |
| UNIVERSITY FORM | 129,000 |
| CAUTION | 1,000 |
| Student Deposits | 206,338 |
| Club Deposits | 4,000 |
| Creditors Paid | 2,918,818 |
| TOTAL | 26,065,034 |

**Note 7 a –INFRASTRUCTURE
 Payments**

| | 2021 |
|-----------------------|------------------|
| | Kshs |
| RMI OPERATION ACCOUNT | - |
| BUILDING MATERIALS | 3,513,030 |
| LABOUR CONTRACT | 2,221,340 |
| BANK CHARGES | 1,860 |
| Sub-Total | 5,736,230 |

| Note Note 7 b –FARM ACCOUNT | |
|------------------------------------|---------|
| | 2021 |
| | Kshs |
| BAKERY SALES | 398,750 |
| FARM SALES | 420,688 |
| BAKERY SALARIES | 256,276 |

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| | |
|----------------------|------------------|
| FARM SALARIES | 52,500 |
| BANK CHARGES | 8,694 |
| SHARES/DIVIDENDS | 4,000 |
| STATUTORY DEDUCTIONS | 246,848 |
| sub-Total | 1,397,756 |

| | |
|-----------------------------------|------------------|
| Note 7 c -PAYMENTS PA DEVELOPMENT | |
| | 2021 |
| | Kshs |
| 2020 LABOUR CONTRACT | 998,660 |
| BUILDING MATERIALS | 1,699,100 |
| sub-Total | 2,697,760 |

7 BANK ACCOUNTS

| Name of Bank, and Branch | Account Name | Bank Account Number | 2021 |
|------------------------------------|----------------|--------------------------|------------------|
| | | | Kshs |
|BankBranch(Tuition) c/f | Tuition | 1102881155 | 17,697 |
|Bank -(Operation) c/f | Operation | 1139051747200 | 663,120 |
| BankBranch (SF) c/f | School Fund | 1102974943/0190278610515 | 1,118,180 |
| BankBRANCH.....INFRA C/f | Infrastructure | 1350279323941 | 466,890 |
| BankBRANCH.....INFRA C/f | Infrastructure | 1139051747201 | 1,593 |
| BankBRANCH.....FARM C/f | Farm | 102200042678 | 170,764 |
| BankBRANCH..... CDF b/f | PA-DEVT | 01139051747203 | 154,912 |
| Total Bank Balances | | | 2,593,155 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 CASH IN HAND

| | |
|-------------|--------|
| | 2021 |
| | Kshs |
| School Fund | 31,980 |

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| | |
|----------------------------|---------------|
| Operation | 655 |
| Farm | 1,703 |
| Total Cash Balances | 34,338 |

9 SHORT TERM INVESTMENTS

| | |
|---|------------------|
| Description | 2021 |
| | Kshs |
| KCB-SAVINGS ACC no 1102759554 | 1,617,869 |
| EQUITY SAVINGS ACC no. 0190276262815 | 90,372 |
| Total | 1,708,241 |

10 ACCOUNTS RECEIVABLE

| | |
|--|-------------------|
| Description | 2,021 |
| | Kshs |
| School Fund -Fees Debtors | 24,060,447 |
| Total ACCOUNTS RECEIVABLE | 24,060,447 |
| Total ACCOUNTS RECEIVABLE as per FA&FL | 24,060,447 |

Includes an ageing of the fees arrears below

| | |
|---|-------------------|
| Description | 2,021 |
| | Kshs |
| Fees arrears for current year (Listed) | - |
| Fees arrears for the previous year | 16,390,889 |
| Fees arrears for prior periods (over two years) | 7,669,558 |
| Total | 24,060,447 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS PAYABLE

| | |
|---------------------------|--------------|
| Description | 2,021 |
| | Kshs |
| School Fund -Prepaid Fees | 11,050 |

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| | |
|--------------------------------|------------------|
| Trade Creditors - School Fund | 7,705,969 |
| Trade Creditors - Farm | 395,000 |
| School Fund - Student Deposits | 300,881 |
| School Fund - Club Deposits | 355,094 |
| Total Payables | 8,767,994 |

Includes an ageing of the trade creditors below

| Description | 2021 |
|--|------------------|
| | Kshs |
| Trade creditors for current year | - |
| Trade creditors for the previous year | 7,335,463 |
| Trade creditors for prior periods (over two years) | 765,506 |
| Total | 8,100,969 |

12 FUND BALANCE BROUGHT FORWARD

| Description | 2021 |
|------------------------|-------------------|
| | Kshs |
| Bank balances | 7,597,948 |
| Cash balances | 4,016 |
| Short Term Investments | 105,501 |
| Receivables | 24,060,447 |
| Payables | (8,767,994) |
| Total | 22,999,917 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

13 Non-current Liabilities Summary

14 Biological assets

| Description | Numbers | 2021 Kshs. |
|--------------|---------|------------------|
| Cattle | | 880,000 |
| Pigs | | 550,000 |
| Trees | | 270,000 |
| Total | | 1,700,000 |

15 Borrowings

16 Stock/ Inventory

| Description | 2021 Kshs. |
|--|------------------|
| Stock/ inventory at beginning of the year | 2,652,340 |
| Stock/ inventory purchased during the year | 34,216,837 |
| Stock/ inventory issued during the year | 35,025,719 |
| Balance at end of the year | 1,843,459 |

17 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) |
|---------|---------------------------------|---|---------------------------------|--|
| 1 | Creditors to be paid | All creditors paid | resolved | N/A |
| 2 | Sundry Debtors | Increased debt recovery | In progress | Progressive |
| 3 | Caution Money | Refunded | Resolved | No more collection |
| 4 | Overdrawn Accounts | Funds sourced | Resolved | N/A |
| 5 | Income and Expenditure accounts | Strict adherence to Budgetary allocation Enforced | Resolved | N/A |

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To Date | Outstanding Balance 2021 | Outstanding Balance 2020 | Comments |
|------------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
| | a | B | c | d=a-c | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Construction of buildings | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| Sub-Total | | | | | | |
| Supply of Goods | | | | | | |
| 4. Shepherd Five Stores | 159,790 | 22/01/21 | | 159,790 | 159,790 | |
| 5. Gesto Hardware | | 22/1/21 | | | 343,430 | |
| 6. Runyenjes Drappers | | 9/7/20 | | | 1,378,890 | |
| 7. Mugane Electricals | | 10/5/21 | | | 718,440 | |
| 8. Catholic Bookshop | | 20/1/21 | | | 138,390 | |
| 9. Bititec Systems & Suppliers Ltd | | 29/1/21 | | | 148,360 | |
| 10. Davietronics Network Solutions | | 2/2/21 | | | 395,220 | |
| 11. Trimarch Investments | | 27/2/21 | | | 580,700 | |
| 12. School Equipment Centre | | 20/3/21 | | | 975,572 | |
| 13. Moses Mukai | | 25/6/21 | | | 104,400 | |
| 14. Donemark Agencies | | 17/6/21 | | | 306,900 | |
| 15. Lisajona Investments | | 12/1/21 | | | 293,500 | |
| 16. Davco Stationers | | 24/6/21 | | | 55,500 | |
| 17. Eldami Ltd | | 20/6/21 | | | 230,000 | |
| 18. New Maridadi Suppliers | | 30/11/20 | | | 496,290 | |
| 19. Mbeti Pharmacy | | 9/2/21 | | | 181,225 | |
| 20. Amina Hassan Said | | 02/01/21 | | | 1,178,920 | |
| 21. Maleris Investment | | 19/05/21 | | | 63,600 | |
| 22. Farm/Bakery Account | | 01/02/21 | | | 1,722,030 | |

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| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To Date | Outstanding Balance 2021 | Outstanding Balance 2020 | Comments |
|--------------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
| | a | B | c | d=a-c | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| 23. Renson Karere | | 26/05/21 | | | 79,200 | |
| 24. Splendid Merchants | | 15/01/21 | | | 310,000 | |
| 25. Jephst K. Simba | | 02/01/21 | | | 1,583,895 | |
| 26. Classic Food Store & Flour Mills | | 15/6/21 | | | 247,500 | |
| 27. Libkatec Ltd | | 12/6/21 | | | 201,000 | |
| 28. Ndamunge Water Consumers | | 30/6/21 | | | 65,000 | |
| 29. Jospapa Enterprises | | 10/2/21 | | | 513,300 | |
| 30. Warma | | 1/1/21 | | | 28,151 | |
| 31. Gaston Kenya Ltd | | 20/1/21 | | | 96,744 | |
| Sub-Total | | | | | 12,595,938 | |
| Supply of Services | | | | | | |
| 32. Cyber School Technologies | 213,440 | 6/1/21 | | | 213,440 | |
| 33. | | | | | | |
| 34. | | | | | | |
| Sub-Total | | | | | 213,440 | |
| Grand Total | | | | | 12,809,378 | |

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

| Asset Class | Historical Cost b/f (Kshs) 1st Jan. 2021 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30th June 2021 |
|--|--|-------------------------------------|-------------------------------------|---|
| Land | 20,000,000 | | | 20,000,000 |
| Buildings and structures | 252,571,000 | | | 252,571,000 |
| Plant & Machinery | 14,510,055 | | | 14,510,055 |
| Office equipment, furniture and fittings | 1,375,500 | | | 1,375,500 |
| ICT Learning Materials | 1,298,000 | | | 1,298,000 |
| Boarding Equipments | 7,050,000 | | | 7,050,000 |
| Kitchen Equipments | 2,797,500 | | | 2,797,500 |
| Lab Equipments | 387,450 | | | 387,450 |
| Farm Equipments | 45,000 | | | 45,000 |
| Tuition Equipments | 8,178,500 | | | 8,178,500 |
| Games Equipments | 300,000 | | | 300,000 |
| Software Equipments | 655,600 | | | 655,600 |
| Total | 309,168,605 | - | - | 309,168,605 |