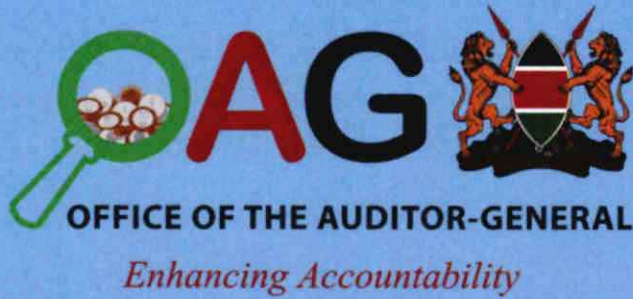


REPUBLIC OF KENYA



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REPORT

OF


THE AUDITOR-GENERAL

ON

A.I.C NYAYO GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

MACHAKOS COUNTY ASSEMBLY
PAPERS LAID

	
MACHAKOS COUNTY ASSEMBLY PAPERS LAID	
DATE: 12 MAR 2025	DAY: WEDNESDAY
TABLED BY:	DEPUTY MAJORITY WHIP (HON. NAOMI KIAGO MP)
CLERK-AT THE-TABLE:	J. LEMERIE

Revised 30th June, 2022.



A.I.C NYAYO GIRLS SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June, 2022
July 2021-June 2022

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

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

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A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

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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 Machakos County, Kalama Sub-County

The school was registered in 29/11/2022 under registration number 16S30000664 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 520 number of students as at 30th June 2022. It has ten streams and 23 teachers of which 6 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/Category	Date of appointment
1	Mr. Festus Ndambuki	Chairman - Sponsor	19-05-2022
2	Mrs. Lilian Mwema	Secretary - Principal	19-05-2022
3	Ms. Ruth King'oo	Member - Community	19-05-2022
4	Mr. Jackson Mbaluku	Member - Community	19-05-2022
5	Mr. Joseph Ndata	Member - Community	19-05-2022
6	Mr. Steve Mutevu	Member - Parent	19-05-2022
7	Ms. Irene Muteti	Member - Parent	19-05-2022
8	Mr. Benjamin Mutuku	Member - Parent	19-05-2022
9	Mr. Nicholas Katili	Member - Sponsor	19-05-2022
10	Dr. Cyrus Matheka	Member - Sponsor	19-05-2022
11	Ms. Caroline Kamende	Member - CEB	19-05-2022
12	Mrs. Prisca Mbula	Member - Special Intrests	19-05-2022
13	Mr. James Nyamai Peter	Member Special Needs	19-05-2022
14	Mr. Patrick Mwathe	Member Rep Teachers	19-05-2022
15	Naomi Musenya	Rep Students	19-05-2022

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

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

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

Name of committee	Name of the members	Designation	No. of meetings
1. Executive committee	1. Mr. Festus Ndambuki 2. Ms. Lilian Mwema 3. Ms. Irene Muteti 4. Mrs. Prisca Mbula 5. Mr. Jackson Mbaluku	Chairperson Secretary Member Member Member	9
2. Audit Committee	1. Jackson Mbaluku 2. Ms Prisca Mbula 3. Vincent Mutuku 4. Ms Irene Muteti 5. Mr. Patrick Mwathe	Chairperson Secretary Member Member Member	6
3. Finance, procurement and general-purpose committee	1. Mr. Joseph Ndata 2. Mrs. Lilian Mwema 3. Mr. James Nyamai 4. Ms. Irene Muteti 5. Mr. Steve Mutevu 6. Mr. Jackson Mbaluku 7. Mr. Benjamin Mutuku	Chairperson Secretary Member Member Member Member Member	3
8. Academic committee	1. Mrs. Caroline Kamende 2. Mrs. Lilian Mwema 3. Dr. Ruth King'oo 4. Mr. Steve Mutevu 5. Dr. Cyrus Matheka 6. Mr. Patrick Mwathe 7. Mr. Benjamin Mutuku	Chairperson Secretary Member Member Member Member Member	9
9. Development Committee	1. Mr. Steve Mutevu 2. Mrs Juliana Francis 3. Mr. Laban Siwili 4. Mr. Festus Ndambuki 5. Mrs. Lilian Mwema	Chairperson Secretary Member Member Member	6

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

	6. Ms Irene Muteti 7. Mr. Jackson Mbaluku	Member Member	
10. Discipline and welfare committee	1. Mr. Nicholas kyalo 2. Mrs. Lilian Mwema 3. Ms. Irene Muteti 4. Mrs. Caroline Kamende 5. Dr. Cyrus Matheka 6. Mr. Jackson Mbaluku 7. Mrs. Prisca Mbula 8. Mrs. Juliana Francis	Chairperson Secretary Member Member Member Member Member Member	5
Adhoc Committees			
Tender Opening Committee	Juliana Francis Emmaculate Ndeti Thomas Kaeke Rachel David Ann Karubiu	Chairperson Secretary Member Member Member	
Tender Evaluation and Recommendation Committee	Patrick Mwathe Emmaculate Ndeti Samuel mulandi Elizabeth Mutinda Damaris Guto	Chairperson Secretary Member Member Member	1
Inspection Committee and Acceptance Committee	Damaris Guto Samuel Ndangili Cynthia Kimuyu Martha Nyakundi	Chairperson Secretary Member Member	12
Disposal Committee	Catherine Mutinda Emmaculate Ndeti Caroline Okoth Jemimah Mbithi	Chairperson Secretary Member Member	1

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
------	-------------	------	------------

A.I.C NYAYO GIRLS SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June, 2022

1	Principal	Mrs. Lilian Mwema	351485
2	Deputy Principal	Mrs. Juliana Francis	364159
3	School Bursar	Ms. Immaculate Ndeti	NGS/03/2004
4	Academic Department	Ms. Jemimah Mbith	558362
5	Senior Teacher	Mr. Patrick Mwathe	481405
6	Boarding Department	Mrs. Damaris Guto	533962
7	Human resource department	Mr. Samuel Mulandi	582039

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 2067-90100, Machakos
Telephone: 0734221242
E-mail: aicnyayogirls@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: BOARDING ACC
Branch: MACHAKOS
Account Number: 1106377281
2. Name of Bank: TUITION ACC
Branch: MACHAKOS
Account Number: 1107110785
3. Name of Bank: OPERATIONS ACC
Branch: MACHAKOS
Account Number: 1106399285
4. Name of Bank: INFRASTRUCTURE ACC
Branch: MACHAKOS
Account Number: 1260510585
5. MPESA Pay Bill No. 33853k attached to 1106377281 boarding account

(g) Independent Auditors

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

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

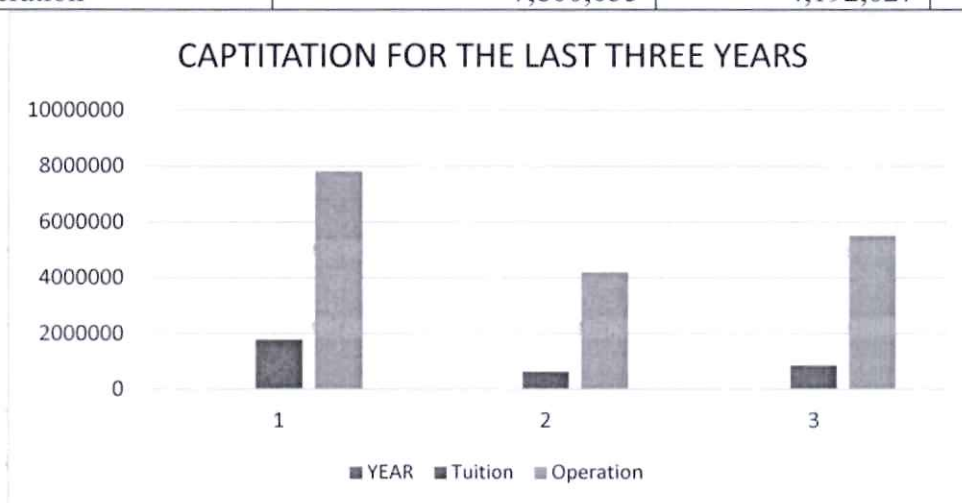
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

CAPITATION FOR THE LAST THREE YEARS

YEAR	2022	2021	2020
Tuition	1,783,60	640,507	862,586
Operation	7,800,055	4,192,627	5,507,125



RATIO OF CAPITATION GRANT PER STUDENT

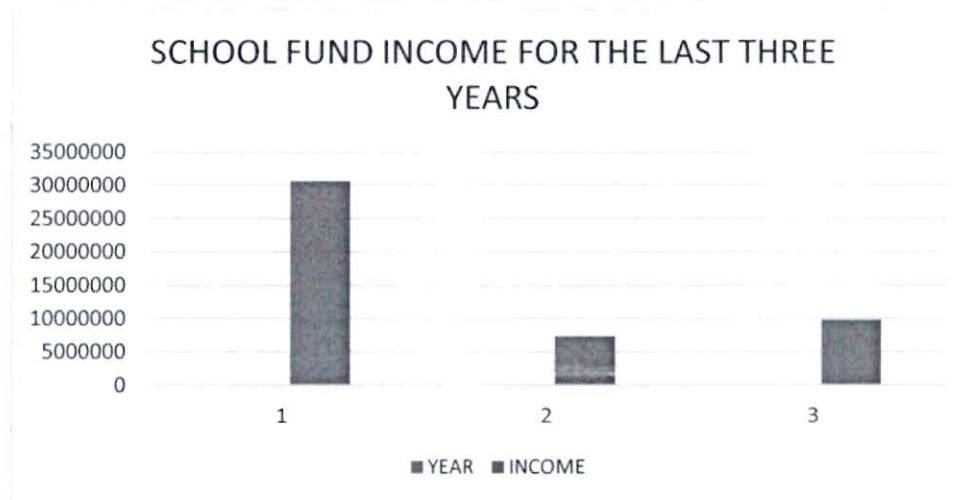
YEAR	2022	2021	2020
Tuition	1,783,608	640,507	862,586
Operation	7,800,055	5,507,125	5,507,125
Total	9,583,663	6,147,632	6,369,711

Student population	603	545	490
	15,893	11,280	12,999
RATIO	1:15893	1:11280	1:12999

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

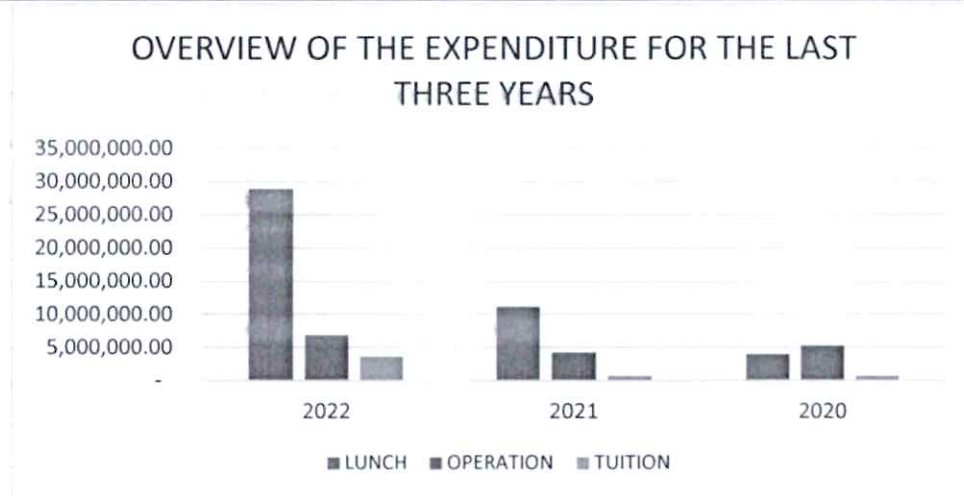
THREE YEAR OF GROWTH OF OTHER INCOMES
SCHOOL FUND A/C

YEAR	INCOME
2022	30,674,342
2021	7,383,267
2020	9,802,851



THREE YEAR OVERVIEW OF EXPENDITURE FOR THE LAST THREE YEARS

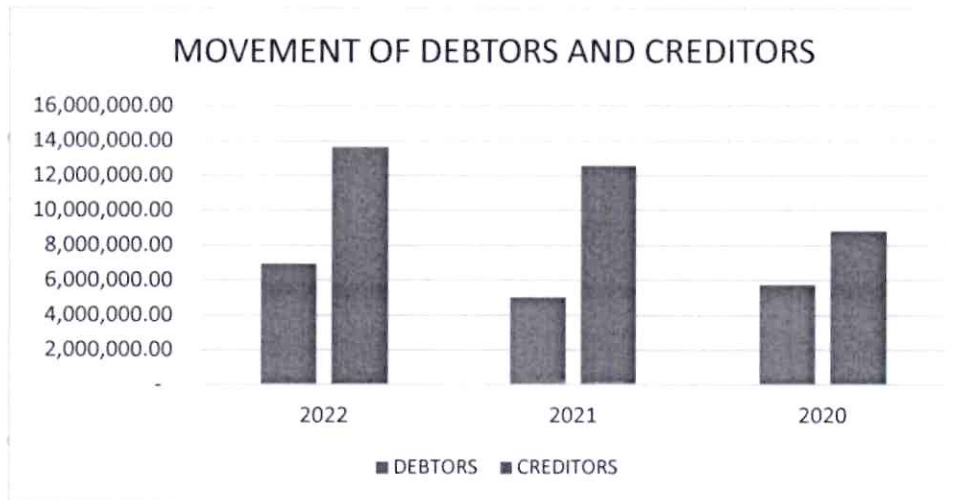
	2022	2021	2020
LUNCH	28,961,200	11,149,635	3,991,831
OPERATION	6,897,774	4,244,399	5,278,693
TUITION	3,637,362	707,696	694,498



A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

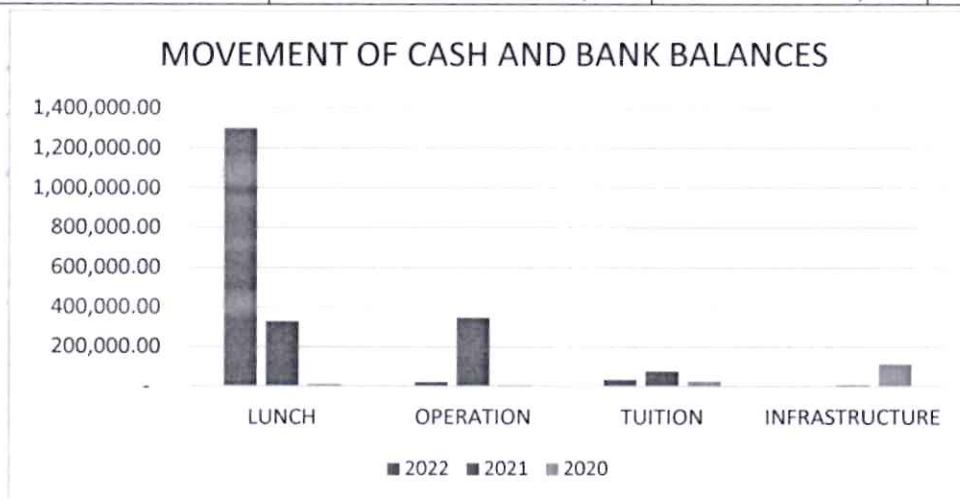
THREE OVERVIEW OF MOVEMENT OF DEBTORS AND CREDITORS

	DEBTORS/CREDITORS		
	2022	2021	2020
DEBTORS	6,951,171	5,016,559	5,747,958
CREDITORS	13,654,002	12,582,044	8,830,772



MOVEMENT OF CASH AND BANK BALANCES FOR THE LAST THREE YEARS

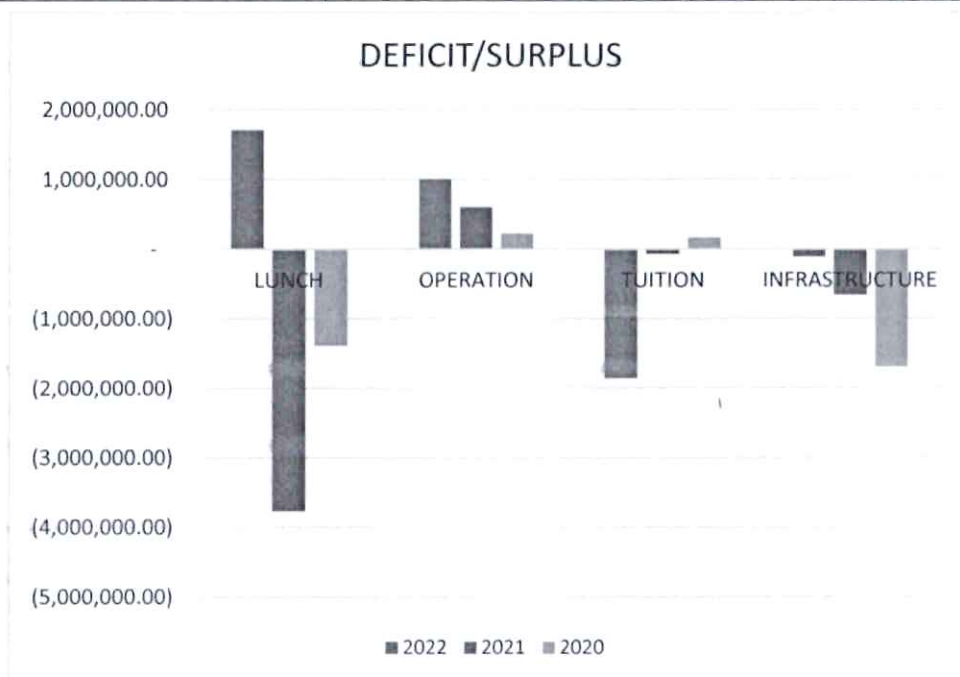
	2022	2021	2020
LUNCH	1,298,799	328,891	13,002
OPERATION	22,092	346,925	8,424
TUITION	34,489	76,311	27,634.35
INFRASTRUCTURE	3,765	8,383	114,108



A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

DEFICIT/SURPLUS FOR THE LAST THREE YEARS

	2022	2021	2020
LUNCH	1,713,142	(3,766,367)	(1,384,953)
OPERATION	1,010,686	605,996	228,432
TUITION	(1,853,754)	(67,188)	168,088
INFRASTRUCTURE	(108,405)	(657,768)	(1,695,624)



b) Teacher Student ratio:

Teacher student ratio : 1:30

Recruitment within the year: 1

Transferred teachers :1

Retired teachers : 0

TSC employed teachers within the year : 1

BOM teachers employed within the year : 2

c) Mean score in the KCSE:

Year	Mean Score	Students who proceeded to higher education	Comment on improvement
2022	4.42	7	Psychosocial issues
2021	5.07	15	Effects of Covid
2020	6	19	Improved Discipline

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

d) Number of Candidates in KCSE:

Year	Number of Candidates
2022	103
2021	118
2020	61

e) Capacity of the school:

CLASSROOMS	9
DORMS	6
MULTIPURPOSE HALL	1
TOILETS	26
KITCHEN	1
LABORATORIES	2

f) Development projects carried out by the school:

Project	Source of funds	Status
1. Fencing of dorm area	SIF	Complete
2. Ablution block	SIF	Incomplete
3. Construction of 2 classrooms	SIF	InComplete
4. Levelling of school playing ground	SIF	Incomplete
5. Construction of staff quarters	SIF	Incomplete
6. Partitioning of dorm into computer/physics lab	SIF	Complete

Sign



School Principal

PRINCIPAL
A.I.C NYAYO GIRLS SEC SCHOOL
P. O. Box 2067, MACHAKOS
Date: 30/6/22 Sign: [Signature]

A.I.C NYAYO GIRLS SECONDARY SCHOOL

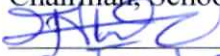
Reports and Financial Statements For the year ended 30th June, 2022

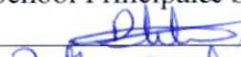
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 AIC Nyayo Girls Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

Name: Festus Ndambuki (Mr)
Designation: Chairman, School Board of Management
Sign: 
Date: 30/10/2024

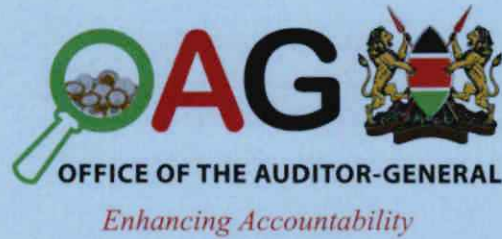
Name: Lilian Mwema (Mrs.)
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 30th October, 2024

PRINCIPAL
AIC NYAYO GIRLS SEC. SCHOOL
P. O. Box 2067, MACHAKOS
Date: 30/10/24 Sign: 

Name: Emmaculate Ndeti (Ms)
Designation: Bursar/ Finance Officer
Sign: 
Date: 30/10/2024

REPUBLIC OF KENYA

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 A.I.C. NYAYO GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – MACHAKOS 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, gazetted 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 A.I.C Nyayo Girls Secondary – Machakos County set out on pages 2 to 19, which comprise of the statement of financial

Report of the Auditor-General on A.I.C. Nyayo Girls Secondary School for the year ended 30 June, 2022 – Machakos County

assets and financial liabilities as at 30 June, 2022, the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of A.I.C Nyayo Girls Secondary School - Machakos County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following errors and omissions as detailed below:-

- i. The statement of receipts and payments reflects a surplus of Kshs.818,090 for the previous six months` period ended 30 June, 2021 which differs with a computed deficit balance of Kshs.(818,090), resulting unexplained variances of Kshs.1,636,182.
- ii. The statement of receipts and payments reflects school fund income-parents contributions amount of Kshs.29,781,811 and Kshs.6,683,675 for current year and prior year periods ended 30 June, 2021 respectively, which differs from Kshs.28,147,310 and Kshs.8,114,654 in the statement of cash flows resulting to an unexplained variances of Kshs.1,634,501 and Kshs.1,430,979 respectively.

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

2. Accounts Receivables

2.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.6,951,211 as disclosed in Note 11 to the financial statements. However,

the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.6,951,211 could not be confirmed.

2.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.6,951,211 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.3,273,437 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and completeness and full recoverability of the outstanding receivables balance of Kshs.3,273,437 could not be confirmed.

3. Unsupported Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.9,878,744 as disclosed in Note 12 to the financial statements. However, included in the balance is a trade creditors of Kshs.8,879,013 balance which is not supported with LSO/LPOS and invoices, the original amount and dates contracted.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.8,879,013 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of receipt and payment reflects capitation grants for tuition and capitation for operation amounting Kshs.1,783,608 and Kshs.7,800,055 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs.9,583,663 whereas the NEMIS capitation reflects an amount of Kshs.8,724,121 resulting to an unexplained variance of Kshs.859,542. Further comparison of banks statements and the financial statements reflects an amount of Kshs.9,584,844 and Kshs.9,583,663, resulting to an unexplained variance of Kshs.1,181.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.1,783,608 and Kshs.7,800,055 could not be confirmed.

5. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflect bank balances and cash balances of Kshs.1,309,597 and Kshs.49,548 respectively as disclosed in Notes 8 and 9

to the financial statements. However, examination of the cash books provided for all the School's four accounts were not legible. As a result, the dates, descriptions, payee and amounts could not be confirmed. In addition, no supporting documents for the board of survey as at year end to confirm the closing balances.

In the circumstance, accuracy and completeness of bank balances and cash balances of Kshs.1,309,597 and Kshs.49,548 respectively could not be confirmed.

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

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, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 19 September, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Irregular Transfer of Funds to the Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.29,033,132 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.149,420 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.149,420 could not be confirmed.

3. Payments Made Without Electronic Tax Register Receipts

The statement of receipts and payments reflects total payments of Kshs.39,568,268. Included in the amount is Kshs.3,637,362 paid to different suppliers but were not supported with Electronic Tax Register (ETRs) receipts. This is contrary to Value Added Tax Regulations under the VAT Act, 2013 (repealed) which states that a valid tax invoice should have to the minimum electronic signature generated by an Electronic Signature Device (ESD) or receipt attached to the commercial invoice.

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

4. Irregular Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects total payment of Kshs.39,568,268. Included in the amount is Kshs.452,250 that was used for cash purchase of goods and services that did not meet the procurement regulation thresholds. This is contrary to Regulation 92 of the Public Procurement and Disposal Regulations, 2020 that provides that a procuring entity may use low value procurement method where the estimated cost of the goods, works or services being procured per item per financial year is as per the

threshold matrix in the Second Schedule. The threshold matrix in the Second Schedule of the Regulations provides that the maximum level of expenditure under the low value procurement method is Kshs.50,000, Kshs.100,000 and Kshs.50,000 per item per financial year for goods, works and services respectively.

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

5. Lack of Procurement Plan

The statement of receipts and payments reflects total receipts and payments of Kshs.40,007,894 and Kshs.39,568,268 respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

6. Non-Remittance of Pension and Gratuity

The statement of receipts and payments reflects total payments of Kshs.39,568,268. Included in the amount is payment for operations of Kshs.6,897,774 which also includes other vote heads of Kshs.5,169,183. Review of the School records revealed that the School had engaged twelve (12) employees employed by Board of Management and eight (8) BOM teachers. Although Management explained that the BOM teachers were employed on contracts and other employees on permanent and pensionable basis, no supporting documents were provided by Management to confirm there was money set aside for gratuities for contracted employees and no evidence for contribution to pension scheme for employees on permanent and pensionable basis.

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

7. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.9,878,744. However, included in the balance are trade creditors balance of Kshs.1,624,469 which had been outstanding from the previous 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 are reflected in approved budget estimates'.

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

8. Failure to Prepare School Improvement Plan

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

9. Underfunding for Capitation

During the year under review, capitation per student was an amount of Kshs.22,244 which translates to a total amount of Kshs.11,666,978 for 1 July, 2021 to 30 June, 2022 based on the student enrollment. However, the School received a total Kshs.9,583,663 and was, therefore, underfunded by Kshs.2,083,315.

In the circumstances, the inadequate funding may have affected service delivery and the over expenditures for the two periods indicate unapproved expenditures.

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

10. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The statement of budgeted versus actual amounts does not reflect final budget and actual on comparable basis total income and total expenditures amounts and total budgeted utilization differences.
- ii. Annex 2 to the financial statements does not include the historical costs balances brought forward, additions/disposals and balances carried forward of the fixed assets.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for conclusion

1. Lack of Internal Audit Function and Audit Committee

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

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

2. Lack of Information and Technology Infrastructure

During the year under review, scrutiny of the School's record keeping revealed that it has been using manual system in the general operations of the School and in preparation of financial statement. Therefore, the School needs to automate its systems.

In the circumstances, lack of an IT infrastructure decreases the ability of the School to safe storage of large amount of data and reduces the efficiency of the School's information processing.

3. Inadequate Assets Management

Annex 2 to the financial statements reflects a summary of fixed assets register with no asset values. However, the assets register provided for audit review lacked mandatory information for both existing and acquired assets including dates of acquisition, persons responsible, assets' location, assets' values net of depreciation and amortization and current market values rendering the register incomplete and un-updated.

In addition, physical examination of assets reviewed the School had not tagged most of the assets with unique identifiers, contrary to the guidelines on asset and liability management part IV(i) C section 77(7) of the National Treasury Guidelines on Asset and Liability Management in the Public Sector, 2020 which provides that all assets purchased shall be identified or tagged upon receipt from suppliers and, before they are issued out to user departments and the tag number of each asset to be included in the asset register.

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

4. Lack of Instructional Needs Assessment Guidelines

During the year under review, it was noted that there were no supporting documents provided for instructional need assessment that provided basis for determining the number and subject of instructional material and textbooks needed by the School. In addition, there was no supporting documents that were provided as prove of setting up of SIMSC committee and SIMSC Minute Book Minutes highlighting the needs.

In the circumstances, lack of the needs assessment guide to determine instructional materials required is likely to lead to under supply of materials issued to schools.

5. Lack of Ownership Documents

5.1 Lack of Land Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with Nil balances in respect of fixed assets which includes land and motor vehicles. Review of the School inspection for registration report dated 29 September, 1996 showed that the School had been allocated 22.51 acres by a company. However, land ownership documents were not provided for audit.

Additionally, review of school records showed that the School has another parcel of land title number Matungule/Katine/4522 with approximate area 1.70 Ha. However, the School provided a title deed issued to the former owner on 9 May, 2024 which had no agreement between the seller and the School.

In the circumstances, the ownership and custody of school land cannot be confirmed.

5.2 Lack of Motor Vehicles Records

Review of records provided for audit showed that the School has two grounded motor vehicles, a Bus with registration number KAH 130F and Lorry with registration number KAB 633R donated by a former President in 1998. Although, the vehicles are grounded and unserviceable, no documents were provided for ownership.

Additionally, Management reported that the School premises were broken into in August, 2023 and the school safe was stolen which had the original log book for School bus. Although, the incidence was reported and a police abstract was issued, no evidence was provided for replacement of the logbook.

In the circumstances, the ownership and safe custody of the School motor vehicles could not be confirmed.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gatirua, CBS
AUDITOR-GENERAL

Nairobi


5 November, 2024

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

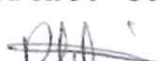
DESCRIPTION OF VOTE HEAD	Note	2021 - 2022	Jan - June 2021
			Kshs
RECEIPTS			
Capitation grants for tuition	1	1,783,608	640,508
Capitation grants for operations	2	7,800,055	4,192,628
School Fund Income- Parents' Contributions	3	29,781,811	6,683,675
School Fund Income- Other receipts	4	642,420	0
Proceeds from borrowings			
TOTAL RECEIPTS		40,007,894	11,516,811
PAYMENTS			
Payments for Tuition	5	3,637,362	707,696
Payments for operations	6	6,897,774	4,537,333
Boarding and school fund payments	7	29,033,132	7,089,871
		39,568,268	
TOTAL PAYMENTS		39,568,268	12,334,900
		439,625	818,090

The school financial statements were approved on 30th October, 2024 and signed by:

Sign: .....

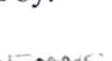
Name: Festus Ndambuki
Chairman BOM

Date: 30/10/2024

Sign: .....

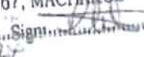
Name: Lilian Mwema
**School Principal/
 Secretary to BOM**

Date: 30/10/2024

Sign: .....

Name: Emmaculate Ndeti
**Bursar/
 Finance Officer**

Date: 30/10/2024


PRINCIPAL
 A.I.C NYAYO GIRLS SEC. SCHOOL
 P. O. Box 2067, MACHAKOS
 Date: 30/10/2024 Sign: 

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022


STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021 - 2022	Jan - June 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,309,597	758,104
Cash Balances	9	49,548	2,407
Short term Investment	10	0	0
Total Cash and Cash Equivalents		1,359,145	760,511
Account's receivables	11	6,951,211	5,016,599
TOTAL FINANCIAL ASSETS		8,310,356	5,777,110
FINANCIAL LIABILITIES			
Accounts Payable	12	9,878,744	7,785,124
NET FINANCIAL SSETS		-1,568,388	-2,008,014
REPRESENTED BY			
Fund balance b/fwd 1st July 2021	13	-2,008,014	-1,189,924
Surplus/Defict for the year		439,626	818,090
NET FINANCIAL POSITION		-1,568,388	-2,008,014


The School's financial statements were approved on 30th October, 2024 and signed by:

Sign: 
 Name: Festus Ndambuki
 Chair BOM

Date: 30/10/24

Sign: 
 Name: Lilian Mwema
 School Principal/
 Secretary to BOM

Date: 30/10/24

Sign: 
 Name: Emmaculate Ndeti
 Bursar/
 Finance Officer

Date: 30/10/24

PRINCIPAL
 A.I.C NYAYO GIRLS SEC. SCHOOL
 P. O. Box 2067, MACHAKOS
 Date: 30/10/24 Sign: 

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021 - 2022	Jan - June 2021
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	1,783,608	640,508
Capitation grants for operations	2	7,800,055	4,192,628
School fund income- Parents contributions/ fees	3	28,147,310	8,114,654
School fund income- other receipts	4	642,420	0
Total receipts		38,373,393	12,947,790
Payments			
Payments for Tuition	5	1,750,430	591,831
Payments for operations	6	8,125,754	3,959,851
Boarding and school fund payments	7	27,898,575	7,798,764
Total payments		37,774,759	12,350,446
Net cash flow from operating activities		598,634	597,344
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		0	0
Proceeds from investments		0	0
Net cash flows from Investing Activities		0	0
NET CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities		0	
NET INCREASE IN CASH AND CASH EQUIVALENT		598,634	597,344
Cash and cash equivalent at BEGINNING of the year		760,511	163,168
Cash and cash equivalent at END of the year		1,359,145	760,512

A.I.C NYAYO GIRLS SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June, 2022

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

Receipt/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	c=a+b	d	e=c-d	f=d/c %
RECEIPTS					
(1) CAPITATION GRANT ON TUITION					
Textbooks and reference materials	0	0	0	0	
Exercise books		0		0	
Laboratory equipment		0		0	
Internal exams		0		0	
Teaching / learning materials	2,360,000	2,360,000	1,783,608	576,392	76
Chalks		0		0	
Teachers guides		0		0	
TOTAL INCOME	2,360,000	2,360,000	1,783,608	576,392	76
			0	0	
(2) CAPITATION GRANT ON OPERATIONS		0		0	
Other voteheads	9,063,000	9,063,000	6,077,055	2,985,945	67
Repairs and maintenance	2,850,000	2,850,000	1,614,000	1,236,000	57
Local transport / travelling	0	0		0	
Electricity and water	0	0		0	
Medical			109,000	109,000	
Administration costs	0	0		0	
Activity	780,000	780,000		780,000	0
Infrastructure grant, computer lab					
Infrastructure grant, 3classrooms				0	
Infrastructure grant, ablution block				0	
Gratuity		0		0	
SMASSE		0	0	0	

A.I.C NYAYO GIRLS SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June, 2022

TOTAL INCOME	12,693,000	12,693,000	7,800,055	4,892,945	61
				0	
(3) FEES CHARGED ON PARENTS		0	0	0	
Other voteheads	10,818,500	10,818,500	9,949,342	869,158	92
Repairs and maintenance	1,925,000	1,925,000	1,844,980	80,020	96
Local transport / travelling		0	0	0	
Electricity and water		0	0	0	
Medical		0	0	0	
Administration costs		0	0	0	
Activity	550,000	550,000	471,817	78,183	86
SMASSE		0	0	0	
Fee on Boarding Equipment and Stores	17,201,250	17,201,250	17,515,672	-314,422	104
TOTAL INCOME	30,494,750	30,494,750	29,781,811	712,939	96
		0	0	0	
(4) OTHER INCOME		0	0	0	
BES / PA		0	642,420	-642,420	
Income from farming activities		0	0	0	
Insurance compensation		0	0	0	
Income from Posho mill		0	0	0	
Income from Bus Hire		0	0	0	
Fee for hire of ground and equipment		0	0	0	
Interest income		0	0	0	
Income from any other investment		0	0	0	
TOTAL INCOME	0	0	642,420	-642,420	
				0	
(5) EXPENDITURE FOR TUITION				0	
Textbooks and reference materials	0	0	0	0	
Exercise books	0	0	0	0	
Laboratory equipment	0	0	0	0	
Internal exams	0	0	0	0	
Teaching / learning materials	2,360,000	2,360,000	3,636,252	1,276,252	200
Chalks	0	0	0	0	
Teachers guides	0	0	0	0	
TOTAL EXPENDITURE	2,360,000	2,360,000	3,636,252	1,276,252	200
				0	

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

(6) EXPENDITURE FOR OPERATION				0	
Personnel emoluments				0	
Other voteheads	9,063,000	9,063,000	5,169,183	3,893,817	57
Administration Cost			6,186	-6,186	
Repairs and maintenance & improvements	2,850,000	2,850,000		0	
Local transport / travelling				0	
Electricity and water				0	
Medical				0	
Activity Expenses	780,000	780,000		780,000	
Savings		0		0	
Classroom		0		0	
Insurance		0		0	
borehole		0		0	
Bank Charges		0		0	
Acquisition of Assets	3,120,000	3,120,000	1,722,405	1,397,595	56
TOTAL	12,963,000	12,963,000	6,897,774	4,110,226	54
				0	
(7) EXPENDITURE FOR SCHOOL FUND				0	
Other voteheads	10,818,000	10,818,000	7,187,202	3,630,798	67
Boarding equipment and stores	17,201,250	17,201,250	18,492,732	-3,170,033	108
Repairs and maintenance	1,925,000	1,925,000	3,001,454	-1,076,454	156
Local transport / travelling		0		0	
Electricity and water		0		0	
Administration costs		0	33,764	-33,764	
Activity	550,000	550,000	153,980	396,020	72
Bank charges		0		0	
Uniform		0		0	
Medical		0		0	
Bursary		0		0	
Caution money		0		0	
Farm		0		0	
Interest income		0		0	
PTA		0	164,000	-164,000	
transfer to infrastructure		0		0	
TOTAL	30,494,250	30,494,250	29,033,132	1,461,118	96

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

Variations in the budgeted amounts and the actual arose due to the following reasons: the expected fees collection from the parents was not achieved and the school did not get the expected amounts from the government.

SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

NOTES TO THE FINANCIAL STATEMENTS

1	CAPITATION GRANT FOR TUITION			
				0
			2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Textbooks and reference materials		0	0
	Exercise books			
	Laboratory equipment			
	Internal exams			
	Teaching / learning materials		1,783,608	640,508
	Chalks			
	Exams and assessment			
	Libray and reference			
	Total		1,783,608	640,508

2	CAPITATION GRANT FOR OPERATIONS			
			2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Other vote heads		6,077,055	2,473,127
	Repairs and maintenance		1,614,000	1,719,501
	Local transport / travelling			
	Electricity and water			
	cdf grant ablution block			
	Infrastruture savings			
	Insurance			
	Medical		109,000	
	Administration costs			
	House rent			
	Interest			
	Activity		0	0
	Total		7,800,055	4,192,628

4,192,628

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

3	PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT					
					2021 - 2022	Jan-June 2021
					Kshs	Kshs
	Other vote heads		9,949,342	1,527,335		
	Boarding equipment's and stores		17,515,672	4,964,676		
	Repairs and maintenance		1,844,980	189,394		
	Local transport / travelling					
	Electricity and water					
	Administration costs					
	Development					
	Activity		471,817	2,270		
	Total as per receipts and payments		29,781,811	6,683,675		
	Add receivables received		1,223,032	1,251,489		
	Less receivable 2022		3,157,644	520,130		
	Add prepaid fees		999,731	699,620		
	Less prepaid fees 2021		699,620	-		
	Total as per cash flow		28,147,310	8,114,653		

4	OTHER RECEIPTS – SCHOOL FUND ACCOUNT					
					2021 - 2022	Jan-June 2021
					Kshs	Kshs
	Rent			0		
	Farm			0		
	Bursary			0		
	PTA		642,420	0		
	Uniform			0		
	Medical			0		
	bank c		0	0		
	Total		642,420	0		

5	PAYMENTS FOR TUITION					
					2021 - 2022	Jan-June 2021
					Kshs	Kshs
	Textbooks and reference materials			0		

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

	Exercise books		0
	Laboratory equipment		
	Internal exams		
	Teaching / learning materials	3,636,252	706,830
	Chalks		
	Exams and assessment		
	Reference/Library		
	Administration Costs		
	Bank Charges	1,110	866
	Total as per receipts and payments	3,637,362	707,696
	Add payables paid during the year	226,865	111,000
	Less payables 2022	2,113,797	226,865
	Total as per cash flow	1,750,430	591,831

6	PAYMENTS FOR OPERATIONS		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Personnel emoluments			
	Other voteheads		5,169,183	2,157,492
	Administration Cost		6,186	
	Repairs and maintenance & improvements			
	Local transport / travelling			
	Electricity and water			
	Medical			
	Activity Expenses			
	Savings			
	Classroom			
	Insurance			
	borehole			
	Bank Charges			2,572
	Acquisition of Assets		1,722,405	2,377,269
	Total as per receipts and payments		6,897,774	4,537,333
	Add account payables paid during the year		1,550,779	1,003,447
	Less account payables 2022		322,799	1,580,929
	Total as per cash flow		8,125,754	3,959,853

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Reports and Financial Statements For the year ended 30th June, 2022

7	BOARDING AND SCHOOL FUND PAYMENTS					
					2021 - 2022	Jan-June 2021
					Kshs	Kshs
	Other voteheads		7,187,202	3,118,017		
	Boarding equipment and stores		18,492,732	3,690,497		
	Repairs and maintenance		3,001,454	269,700		
	Local transport / travelling					
	Electricity and water					
	Administration costs		33,764			
	Activity		153,980			
	Bank charges			11,657		
	Uniform					
	Medical					
	Bursary					
	Caution money					
	Farm					
	Interest income					
	PTA		164,000			
	transfer to infrastructure			0		
	Total as per receipts and payments		29,033,132	7,089,871		
	Add payables paid during the year		3,683,391	2,626,457		
	Less payables 2022		4,817,948	1,917,564		
	Total as per cash flow		27,898,575	7,798,764		

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

A.M.C NYAYO GIRLS SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June, 2022

8 BANK ACCOUNTS				
	Name of Bank, Account No. & currency	Bank Account Number	2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Tuition Account		34,489	76,311
	Operations Account		20,810	346,868
	School Fund Account/Boarding		1,250,533	326,542
	Savings Account			
	Savings Account:			
	Income generating activities Account			
	Infrastructural Account		3,765	8,383
	Total		1,309,597	758,104
9 CASH IN HAND				
	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Tuition account			
	Operation Account		1,282	57
	School Fund account		48,266	2,350
	Total		49,548	2,407

10 SHORT TERM INVESTMENTS				
	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Cooperative shares		0	0
	Treasury Bills		0	0
	Fixed deposit		0	0
	Equity stock		0	0
	Other investments		0	0
	Total		0	0

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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11	ACCOUNTS RECEIVABLE			
	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Fees arrears		6,951,211	5,016,599
	Other non-fees receivables		0	0
	Salary advances			0
	Imprest		0	0
	Total		6,951,211	5,016,599

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

	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Fees arrears for current year		3,157,644	520,130
	Fees arrears for the previous year		520,130	-5,433
	Fees arrears for prior periods (over two years)		3,273,437	4,501,902
	Total		6,951,211	5,016,599

12	ACCOUNTS PAYABLE			
	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Trade creditors (See ageing below and appendix 1)		8,879,013	7,085,504
	Prepaid fees		999,731	699,620
	Retention monies		0	0
	Total		9,878,744	7,785,124

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

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Reports and Financial Statements For the year ended 30th June, 2022

	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Trade creditors for current year		7,254,544	3,725,358
	Trade creditors for the previous year		1,624,469	3,360,146
	Trade creditors for prior periods (over two years)			
	Total		8,879,013	7,085,504

13	FUND BALANCE BROUGHT FORWARD			
	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Bank balances		1,309,597	758,104
	Cash balances		49,548	2,407
	Short Term Investments			0
	Receivables		6,951,211	5,016,599
	Payables		-9,878,744	-7,785,124
	Total		-1,568,388	-2,008,014

Other important disclosure notes

14	Non-current Liabilities Summary			
	Description		2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Bank loan(s)		0	0
	Outstanding Leases		0	0
	Hire purchase		0	0
	Gratuity and leave provision		0	0
	Total		0	0

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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15	Biological assets			
	Description	Numbers	2021 - 2022	Jan-June 2021
			Kshs	Kshs
	Cattle		0	0
	Goats		0	0
	Trees		0	0
	Coffee or tea plantation		0	0
	Poultry		0	0
	Total		0	0

16	Borrowings			
	Description		2021 - 2022	Jan-June 2021
			KShs	KShs
	a) Borrowings			
	Borrowing at beginning of the year		0	0
	Borrowings during the year		0	0
	Repayments of during the year		0	0
	Balance at end of the year		0	0


17	1 Stock/ Inventory			
	Description		2021 - 2022	Jan-June 2021
			KShs	KShs
	Stock/Inventory			
	Stock/ inventory at beginning of the year		0	0
	Stock/ inventory purchased during the year		0	0
	Stock/ inventory issued during the year		0	0
	Balance at end of the year		0	0

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

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)
	Not yet			

Sign: 
 Date: 30/10/2024
Lilian Mwema(Mrs.)
 Principal/BOM Secretary

PRINCIPAL
 A.I.C NYAYO GIRLS SEC. SCHOOL
 P. O. Box 2067, MACHAKOS
 Date: 31/10 Sign: 

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2,022	Outstanding Balance 2021-2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
Sub-Total						
Supply of goods						
4. DANIEL NZOMO KIETI				593,181	593,181	
5. UNIVERSAL AUTO				410,000	410,000	
6. DPL FESTIVE LTD				842,388	842,388	
7. GEWAWA FABRIC				360,000	360,000	
8. LIJAH ENTERPRISES				125,000	125,000	
9. PATRICIA MATANO				111,300	111,300	
10. NEMULON ENTERPRISES				34,680	34,680	
11. ONESMUS MUSYOKI				134,190	134,190	
12. JOSEPH NZUVE				67,500	67,500	
13. MARGARET MUTWOTA				109,450	109,450	
14. WAMO TECH				614,000	614,000	
15. DASAR VENTURE				374,419	374,419	
16. PASTE MASTER				100,500	100,500	
17. LUMU CLEANERS				182,700	182,700	

A.I.C NYAYO GIRLS SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June, 2022

18. STEPLINK				8,000	8,000	
19. SENTIMENTE TRIO				60,000	60,000	
20. SAMAR TECH				146,900	146,900	
21. MONICAH MUINDI				142,300	142,300	
22. TOP SCORE				320,000	320,000	
23. WAMO TECH				775,000	775,000	
24. STEPHEN MBITHI				16,600	16,600	
25. UNIVERSAL AUTO				23,000	23,000	
26. M.K MOBILE TECH				121,200	121,200	
27. CANA SUPPLIERS				321,540	321,540	
28. VINCENT MUTUKU				75,400	75,400	
29. LAZARUS KIOKO				18,600	18,600	
30. JOHNSTONE HARDWARE				354,569	354,569	
31. EAST KENYA				524,155	524,155	
32. BRAGELINE				228,000	228,000	
33. CANA SUPPLIERS				601,905	601,905	
34. KHANA SUPPLIERS				759,737	759,737	
35 MUTAVA ENTERPRISES				322,799	322,799	
Sub-Total				8,879,013	8,879,013	
Supply of services						
Sub-Total						
Grand Total				8,879,013	8,879,013	

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June, 2022

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- software						
Total						

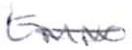
(The School should ensure that a detailed fixed assets register is maintained).

AIC NYAYO GIRLS SEC. SCHOOL
P.O BOX 2067
MACHAKOS.

BANK RECONCILLIATION STMT. AS AT 30TH JUNE 2022 TUITION ACCOUNT.

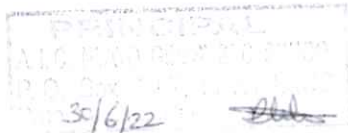
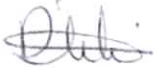
Balance as per cash book	34,489.00
Balance as per bank statement	34,489.00

Prepared by



Immaculate Ndeti
Bursar

Certified by



Lilian Mwema (Mrs)
PRINCIPAL.