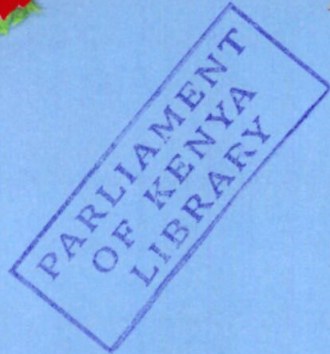


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

DATE: 10 APR 2025

DAY:
THURSDAY

TABLED BY:	HON. SILVANUS OSORO, MP
OF	MAJORITY PARTY WHIP
THE-TABLE:	INZOFA MWALE

THE AUDITOR-GENERAL

ON

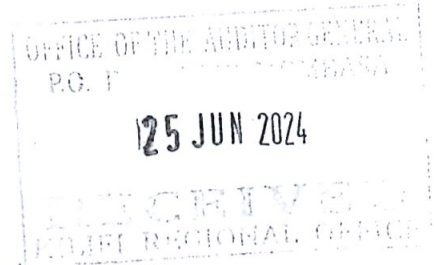
NYAMBARIA HIGH SCHOOL

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

NYAMIRA COUNTY

**NYAMBARIA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
FROM 1ST JANUARY TO 30TH JUNE 2021**

Revised 30th June 2021.



**NYAMBARIA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR SIX MONTHS

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

NYAMBARIA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
FROM 1ST JANUARY TO 30TH JUNE 2021

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**NYAMBARIA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
FROM 1ST JANUARY TO 30TH JUNE 2021**

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 01/1968 under registration number 046/P/3000/689 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 2154 number of students as at 30th June 2021. It has 39 streams and 69 teachers of which 11 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
	MR.LAZARUS MOMANYI OKIOMA	Chairman - Sponsor	01/01/2020
	DR. MAGRET BARASA	Vice Chairperson	01/01/2020
	MR.BOAZ OWINO OIYO	Secretary- Principal	01/01/2020
	DR.CHARLES NYANDUSI	Member – Rep CEB	01/01/2020
	DR/PR.THOMAS NYAKUNDI	Members - Sponsor	01/01/2020
	DR.ERICK NYAKUNDI ONSONGO	Member	01/01/2020
	MR.JAMES NJUGUNA	Member - Rep Teachers	01/01/2020
	DR.STELLAH OSORO	Member	01/01/2020
	MS MOLLY RUMBE	Member	01/01/2020
	DR. BATSHEBA OSORO	Member	01/01/2020
	MR. PHILLIP NCHOGU	Member - Community	01/01/2020
	MR. MARANGA SANGARA	Member - Special Needs	01/01/2020
	WILLIAM NGERESO	Rep - Students	01/01/2020
	MR. JOSEPH CHEPKWONYI	Member	01/01/2020

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:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr. Lazarus Okioma Dr. Margaret Barasa Dr.PR.Thomas Nyakundi Mr. Joseph chepkwony Mr. Boaz Owino	Chairman Member Menmber Member Secretary bom	6/9
2	Finance,procurement and general purposes Committee	Ms Molly Rumbe Mr.Thomas Nyamache Mr.Joseph Jepkwony Mr.Charlie Cheramgoi Mr.Mranga Sangara	Chairlady Secretary Member Member Member	1/5
3	Academic Committee	Dr.Charles Nyandusi Dr. Margaret barasa Ms.Stellah Osoro Dr.Erick Nyakundi Mr.Thomas Nyamache	Chairman Member Member Member Member	3/5
4	Development Committee	Ms. Molly Rumbe Dr. Lazurus Okioma Boaz Owino Mr.Joseph Chepkwony	Chairlady Member Secretary bom Member	5/5

NYAMBARIA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
FROM 1ST JANUARY TO 30TH JUNE 2021

5	Discipline and welfare Committee	Dr. Bathsheba Osoro Dr. Thomas Nyakundi Mr. Maranga Sangara Dr. Erick Onsongo	Member Chairman Member Member	4/5
6.	Adhoc Committee (if any during the year)	Onesmus Onguti Peterson Osoro Kepha ogega Abel Chanua Alice Nyatichi	D/P administration Storekeeper Member Member Member	3/5

(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	MR. BOAZ OIYO OWINO	251607
2	Deputy Principal	MR. ONESMUS ORUNGU ONGUTI	377677
3	School Bursar	MRS. ALICE NYATICHI ONSONGO	22936514

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: PO BOX 594-40200 KISII
Telephone: 0202-2162318
E-mail: nyambariaschool@yahoo.com
Website: www.nyambariaschool.ac.ke

(f) School Banks Accounts

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

	BANK NAME	BANK BRANCH	ACCOUNT NO.
1	K.C.B - SCHOOL FUND A/C	KISII WEST	1178721183
2	K.C.B - TUITION A/C	KISII	1101901675
3	K.C.B - OPERATION A/C	KISII	1101942835
4	K.C.B - INFRASTRUCTURE A/C	KISII WEST	1213060184
5	COOP BANK – SCHOOL FUND A/C	NYAMIRA	01129349136800
6	COOP BANK – MULTI-PURPOSE A/C	KISII	01139297404400
7	ABSA	KISII	008-1120005
8	EQUITY	NYAMIRA	0520298780525
9	WAKENYA PAMOJA SACCO	MAGOMBO	6433-080-09198

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

(g) Independent Auditors

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

**NYAMBARIA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
FROM 1ST JANUARY TO 30TH JUNE 2021**

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

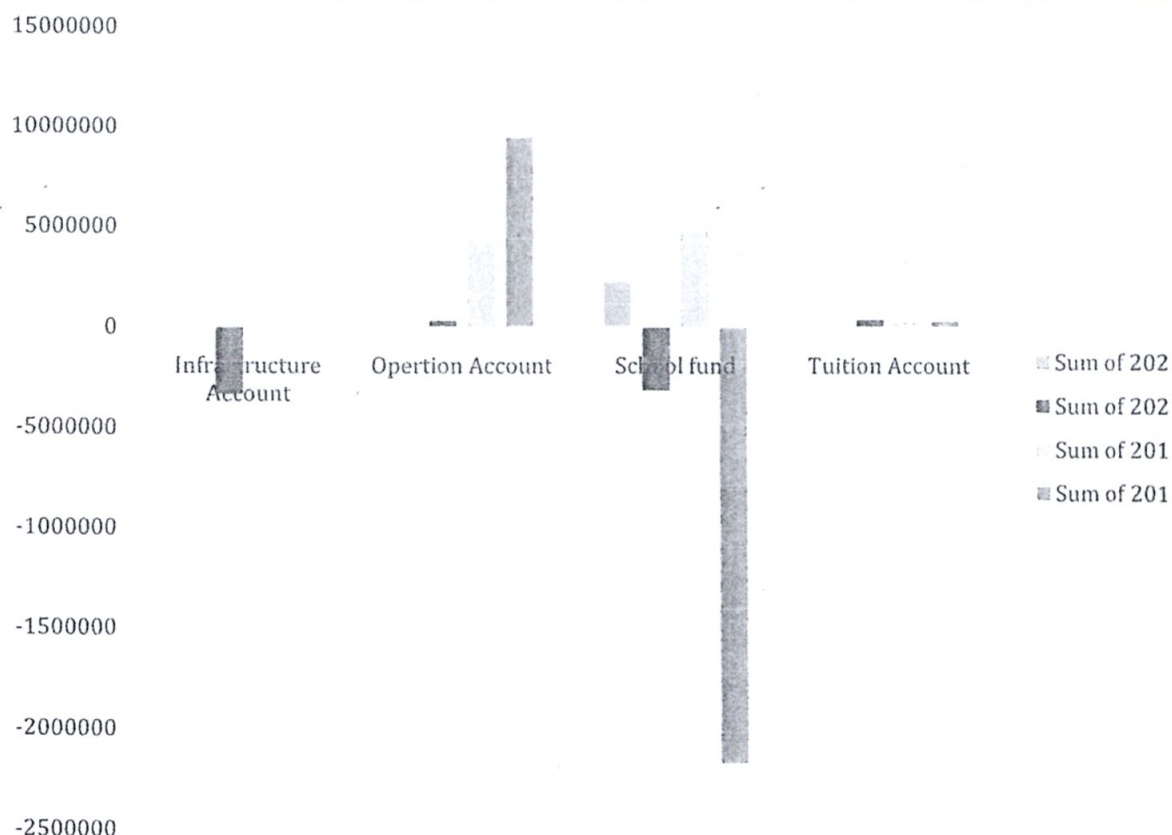
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, the following information should be given:

**SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE
LAST THREE YEARS**

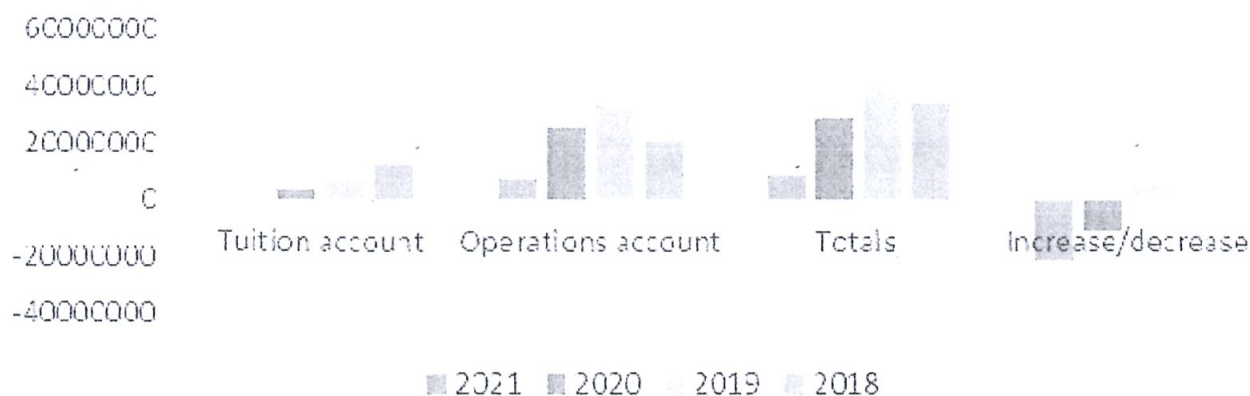
SN O	ACCOUNTS	2021	2020	2019	2018
1.	School fund		-3,144,127.41	4,735,033.08	- 21692144.78
2.	Operations Account		284,133	4,263,877.60	9425902.35
3.	Tuition Account		343,813	232,156.8	266731
4.	Infrastructure Account		-3344586.5	0	0
	Total	3,249,494.81	-7116659.91	9231067.48	- 12832973.73
	Increase/Decrease	-3,867,165.10	16,347,727.39	12,832,973.73	0



CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS

Accounts	2021	2020	2019	2018
Tuition account	2,936,042.00	3,977,905.00	7,020,948.90	12,583,018.70
Operations account	18,403,751.70	25,430,700.00	33,201,007.60	21,550,602.20
Totals	21,339,793.7	29,408,605.00	40,221,956.50	34,133,620.70
Increase/decrease	(8,068,811.30)	(10,813,351.50)	6,088,335.80	0

**CAPITATION GRANTS FROM THE
 MINISTRY OF EDUCATION FOR THE
 LAST THREE YEARS**



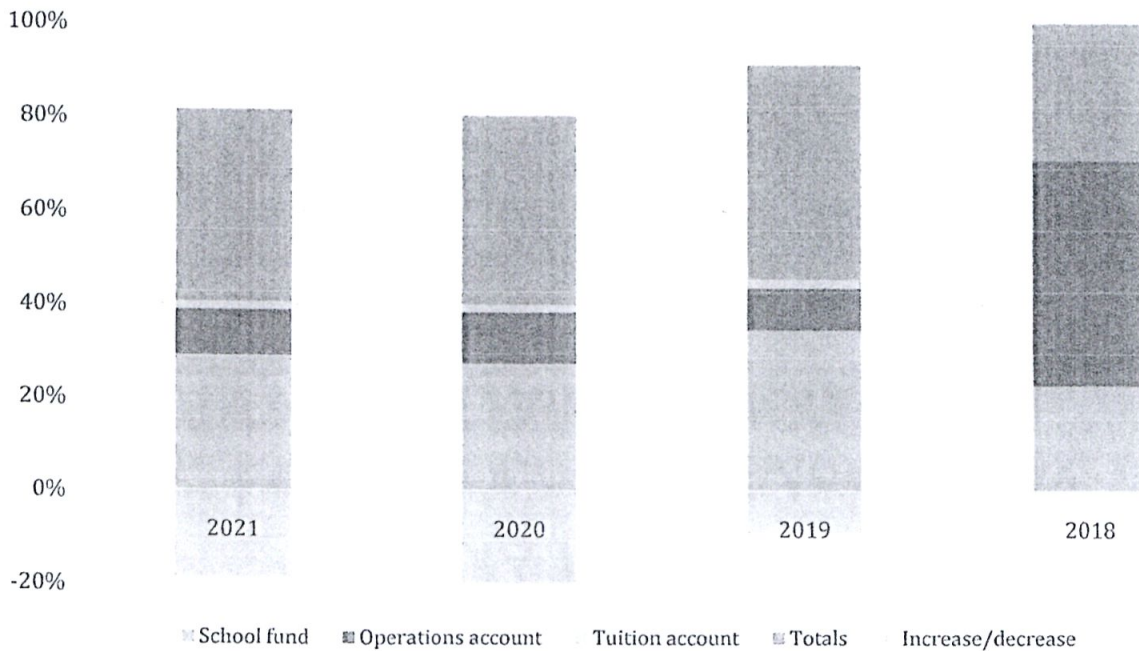
- *Ratio of capitation grant per student over the last three years*

YEAR	2021	2020	2019	2018
RATIO	1:3916	1:13065	1:18664	1:16634

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

A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

GROWTH OF EXPENDITURE FOR THREE YEARS

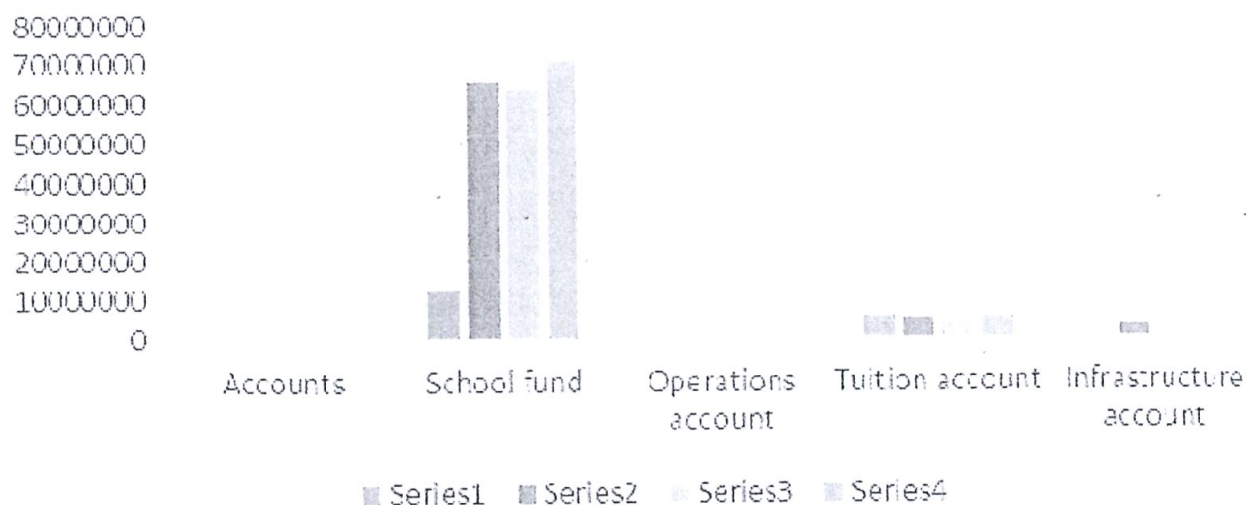


<i>Accounts</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>School fund</i>	51,178,385	70,875,701	118,095,752	143,742,500
<i>Operations account</i>	16,912,294	28,410,498	29,784,114	30,572,4945
<i>Tuition account</i>	3,009,819	4,321,718	6,788,793	10,469,,370
<i>Infrastructure account</i>	0	0	0	0
<i>Totals</i>	71,100,498	103,607,917	154,668,659.12	184,784,365
<i>Increase/decrease</i>	(32,507,419)	(51,060,742)	(30,115,705.85)	0

MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS

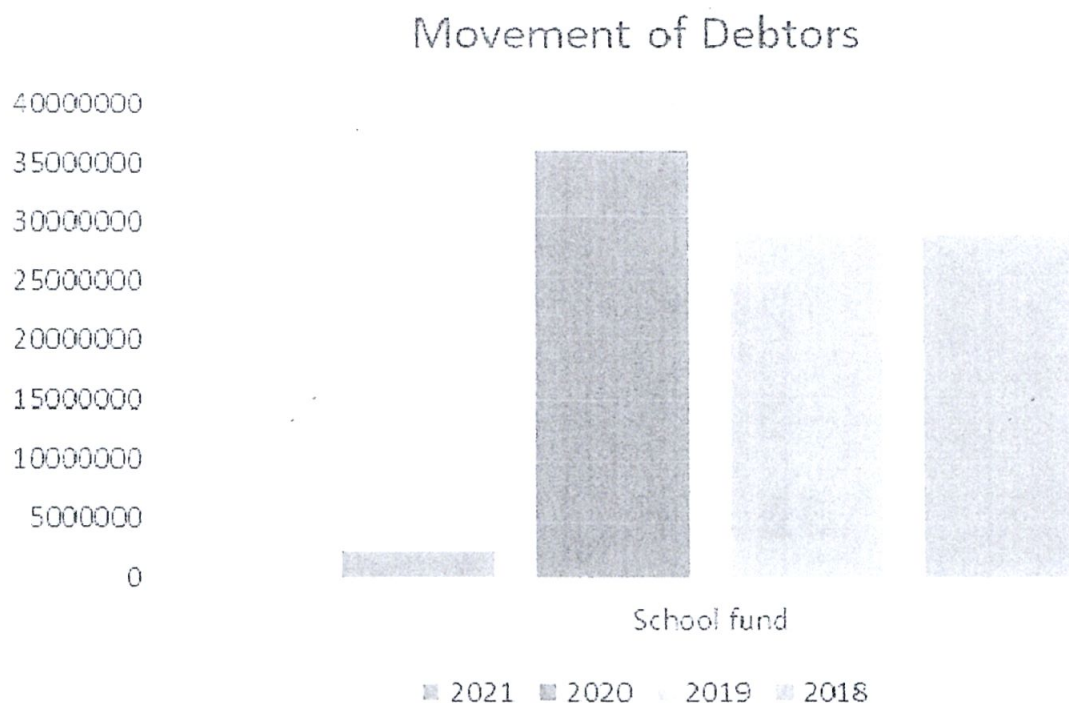
<i>Accounts</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>School fund</i>	13022822	65571196	63768002	70651160
<i>Operations account</i>	253357	801470	455654	455654
<i>Tuition account</i>	5466050	4923529.00	4771937	5398144
<i>Infrastructure account</i>	198833	3354590	0	0
<i>Totals</i>	18941062	74650785	68995593	76504958
<i>Increase/decrease</i>	(55709723)	5655192	(7509365)	0

MOVEMENT OF CREDITORS OF THE SCHOOL
 OVER THE LAST THREE YEARS



MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE LAST THREE YEARS

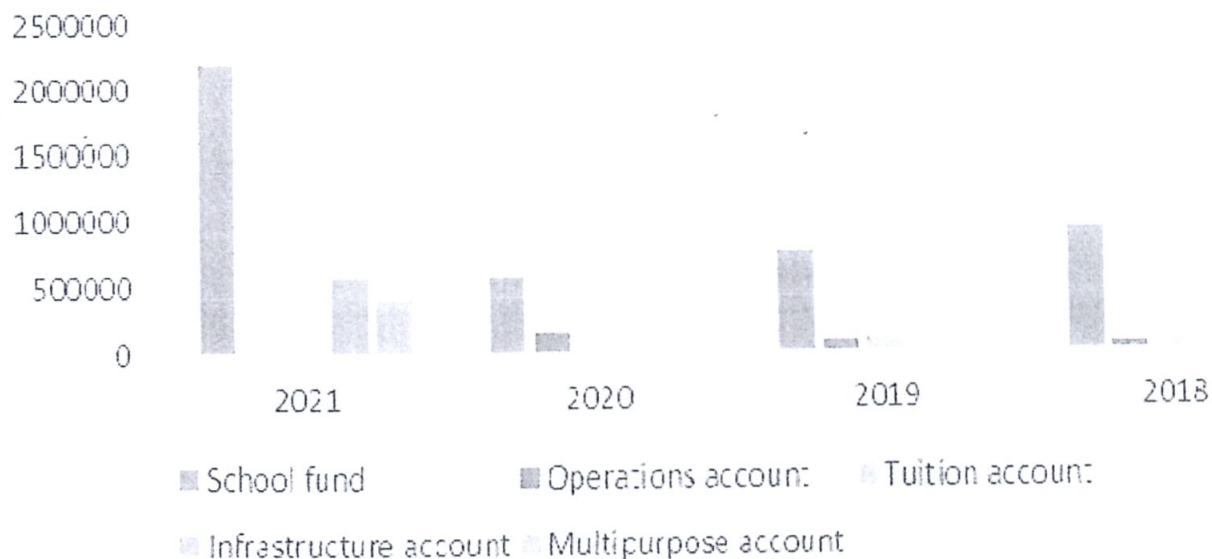
<i>Accounts</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>School fund</i>	2,285,253.00	36,128,905.58	29274011.58	29018861
<i>Increase/decrease</i>	(23,843,653)	6,854,894.00	255,150.58	0



MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS

Accounts	2021	2020	2019	2018
School fund	2188135.22	573410.11	751172.53	928017.03
Operations account	17626.18	155697.48	84014.48	54084.88
Tuition account	10519.50	6796.50	96517.50	76167.70
Infrastructure account	574538.50	0	0	0
Multipurpose account	394708	0	0	0
Totals	3185527.40	735894.09	941704.51	1058269.61
Increase/decrease	2449633.31	205810.42	116565.10	0

MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.

b) Teacher Student ratio:

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

Number of teachers employed by TSC=83

Number of teachers employed by BOM=24

TOTAL=107 TEACHERS

Teachers ratio=1:22

UNDERSTAFFING OF TEACHERS PER SUBJECT

- 1. PHY/MATHS = 5 Teachers**
- 2. KISWAHILI/CRE = 5 Teachers**
- 3. COMPUTER/MATHS = 1Teacher**
- 4. BUSINESS/MATHS = 3 Teachers**
- 5. KISWAHILI /GEOGRAPHY = 2 Teachers**
- 6. GEOGRAPHY /CRE = 3Teachers**
- 7. BIOAGRIC = 3Teachers**
- 8. BIO/GEO = 2 Teachers**
- 9. GEO/HIST = 2 Teachers**
- Grand total = 26 Teachers**

c) Mean score in the 2021 KCSE: N/A

Give performance of the school for each over the last three years.

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y	MEAN	DEV.
2017	339	01	16	43	60	57	65	54	35	06	00	-	-	-	-	7.691	-1.1998
2018	392	02	12	28	49	69	79	62	33	09	00	-	-	-	-	6.875	-0.8860
2019	477	1	34	82	85	82	81	61	35	13	3	0	0	0	0	8.0150	+1.1374
2020	543	06	67	102	143	112	78	25	07	02	00	01	0	0	0	8.7532	+0.7382
2021	580																

**NYAMBARIA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
FROM 1ST JANUARY TO 30TH JUNE 2021**

Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

c) Number of Candidates in the 2021 KCSE: 580

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

YEAR	KCSE ENTRY
2017	339
2018	392
2019	477
2020	543
2021	580

d) Capacity of the school:

YEAR	NO. OF STUDENTS
2018	2032
2019	2735
2020	2757
2021	2754
2022	2358

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

e) Development projects carried out by the school:

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

NO.	NAME OF PROJECT	ONGOING	ENDED	SOURCE OF FUNDING
1.	Science laboratory	-	ended	MOE FUNDS
2.	Six classrooms	Ongoing	-	MOE FUNDS

Sign



School Principal

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Dr. Lazarus Okiong

Designation: Chairman, School Board of Management

Sign: 

Date: 18-6-24

Name: Charles Dnyan

Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 18-6-24

Name: Alice Nyatichi

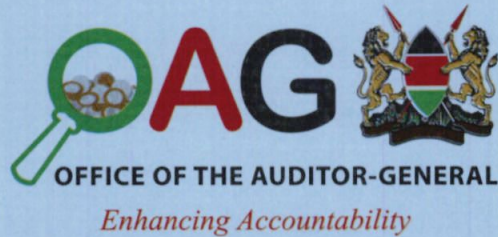
Designation: Bursar/ Finance Officer

Sign: 

Date: 18-6-24

REPUBLIC OF KENYA

Phone: +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 NYAMBARIA HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NYAMIRA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyambaria High School – Nyamira County set out on pages 15 to 30, 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

Report of the Auditor-General on Nyambaria High School for the Six (6) Months' period ended 30 June, 2021 - Nyamira County

the six (6) months' 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 the Nyambaria High School – Nyamira County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Accounts Receivables

1.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.32,267,855 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.32,267,855 could not be confirmed.

1.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.32,267,855 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.29,943,061 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.32,267,855 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.3,175,390 as disclosed in Note 8 to the financial statements. Included in this balance is Kshs.1,103,240 held in five (5) bank accounts. However, the bank balances were not supported by bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.3,175,390 could not be confirmed.

3. Variances in Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.80,127,076 as disclosed in Note 12 to the financial statements. Included in the balance is trade creditors balance of Kshs.72,117,220. However, the balance varies with Kshs.18,941,062 reflected in the ledger resulting to an unexplained or an unreconciled variance of Kshs.53,176,158.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.80,127,076 could not be confirmed.

4. Unsupported Borrowings

Note 16 to the financial statements discloses a balance of Kshs.1,600,000 in respect of borrowings during the year. However, the balance has not been supported by loan agreement, loan statement, Board approval and documentation on how the loan proceeds were utilized.

In the circumstances, the accuracy and validity of borrowings balance of Kshs.1,600,000 could not be confirmed.

5. Inaccuracies/Variances in the Financial Statements

Review of the report and financial statements revealed the following:

- i. A disclosure on Summary Report of Performance of the School indicates that the institution received capitation grants for operations totalling Kshs.18,403,752 while the statement of receipts and payments reflects corresponding capitation grants totalling Kshs.21,274,223 resulting to unexplained variance of Kshs.2,870,471.
- ii. The statement of financial assets and financial liabilities reflects accumulated fund balance brought forward of Kshs.48,534,370 while the net financial position balance for the previous year was Kshs.48,730,178 resulting to unexplained variance of Kshs.195,808. The recalculated net financial position credit balance is Kshs.46,469,499 while the net financial liabilities balance is Kshs.46,273,692 rendering the statement of financial assets and financial liabilities not to balance.
- iii. The statement of cash flows reflects cash and cash equivalents balance at beginning of the year of Kshs.924,850 while the corresponding cash and cash equivalents balance at the end of previous year was a credit of Kshs.3,250,513 resulting to unexplained variance of Kshs.4,175,363. The recalculated cash and cash equivalents balance at the end of the year is a credit of Kshs.989,835.
- iv. The statement of financial assets and financial liabilities reflects account payables balance of Kshs.80,127,076 as disclosed in Note 12 to the financial statements. Included in the balance is trade creditors balance of Kshs.72,117,220. However, Annex 1 on analysis of pending accounts payables reflects a balance of Kshs.18,941,062 resulting to unexplained variance of Kshs.53,176,158.
- v. The cover page and headers refer to the annual report and financial statements for six months instead of report and financial statements for the six (6) months period ended 30 June, 2021.

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

6. Inaccuracies in the Income from Parents' Contributions/Fees Amount

The statement of receipts and payments reflects receipts totalling Kshs.15,331,682 in respect of income from parents' contributions/fees as disclosed in Note 3 to the financial statements. However, the amount includes an overdraft of Kshs.1,600,000 as indicated in the ledger/schedules under other boarding (other vote heads) which is not income from parent's contributions.

In the circumstances, the accuracy of income from parents' contributions/fees totalling Kshs.15,331,682 could not be confirmed.

7. Inaccurate Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects total budgeted receipts of Kshs.236,250,022. However, the recalculated amount is Kshs.101,238,294 resulting to an unreconciled variance of Kshs.135,011,728. Similarly, the statement reflects total budgeted expenditure of Kshs.201,625,698 against a recalculated amount of Kshs.103,238,294 resulting in an unreconciled variance of Kshs.98,387,404.

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

8. Material Uncertainty Related to Sustainability of Services

The statement of financial assets and financial liabilities reflects current assets balance of Kshs.35,453,382 while the current liabilities balance is Kshs.80,127,076 resulting to a negative working capital of Kshs.44,673,694. The institutions financial statements therefore have been prepared on a sustainability of services basis on the assumption that, it will continue to receive financial support from the Government, bankers and creditors.

Management did not disclose the material uncertainty related to sustainability of services or measures taken to mitigate this.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.236,250,022 and Kshs.73,361,176 respectively, resulting to an under-funding of Kshs.162,888,846 or 69% of the budget. However, the

School spent a balance of Kshs.71,100,498 against actual receipts of Kshs.73,361,176 resulting to an under-utilization of Kshs.2,260,678 or 3% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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 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. Failure to Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.21,274,223 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.8,452,250 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no funds were transferred to infrastructure account as at 30 June, 2021. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,936,042 and Kshs.21,274,223, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of six thousand seven hundred and sixty-one (6,761) students while the enrolment records provided by the School indicated a total number of six thousand seven hundred and seventy-six (6,776) students, resulting to an unexplained variance of fifteen (15) students. As a result of the variances, the School was over funded by an amount of Kshs.333,660.

In the circumstances, the under-funding of the School may have affected service delivery to the School.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.24,210,265. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year/period 2020/2021, NEMIS reflected six thousand seven hundred and sixty-one (6,761) students while records from the County Director of Education had six thousand seven hundred and seventy-six (6,776) students, resulting to an underfunding of the School by an amount of Kshs.333,660. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

4. 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.80,127,076 which in turn includes trade creditors balance of Kshs.72,117,220. However, included in the balance are trade payables balance of Kshs.53,176,158 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract(s) are reflected in approved budget estimates.

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

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Incomplete Fixed Asset Register

Included in Annex 2 is summary of fixed asset balance of Kshs.21,433,884. However, a review of the fixed asset register revealed that the School has recorded most of the assets, but the register did not include serial numbers/parcel numbers of assets for land computers, TVs and other electronic items and the parcels of land do not have values attached to them.

In the circumstances, the School assets are at risk of wastage, theft and damages, and their actual value cannot be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

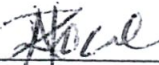
22 January, 2025

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


DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	2,936,042.00	3,977,905
Capitation grants for operations	2	21,274,223.00	28,742,757
School Fund Income- Parents' Contributions	3	15,331,682.00	31,968,640
School Fund Income- Other receipts	4	33,819,229.00	41,791,056
Proceeds from borrowings			
TOTAL RECEIPTS		73,361,176.00	106,480,359
PAYMENTS			
Payments for Tuition	5	3,009,819.00	4,321,718
Payments for operations	6	16,912,294.00	28,410,498
Boarding and school fund payments	7	51,178,385.00	71,679,701
TOTAL PAYMENT		71,100,498.00	104,411,917
SURPLUS/DEFICIT		2,260,678.00	2,068,442.00

The school financial statements were approved on 18th June 2024 and signed by:

Sign 

Name Dr. Kabarus Okionga
Chair BOM


Date _____

Sign 

Name Charles Onyari
School principal/Secretary to BOM

Date 18-6-24

Name Alice Nyantehi

Sign 
Bursar/Finance officer

Date 18-6-24

NYAMBARIA HIGH SCHOOL
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	3,175,390	738,512.49
Cash Balances	9	10,137.00	7,385.10
Short term Investment	10	-	-
Total Cash and cash equivalent		3,185,527	745,897.59
Account's receivables	11	32,267,855	36,128,906
TOTAL FINANCIAL ASSETS		35,453,382	36,874,803
FINANCIAL LIABILITIES			
Accounts Payables	12	80,127,076	85,604,980
Bank loan	16	1,600,000	
NET FINANCIAL ASSETS		(46,273,692)	(48,730,177)
REPRESENTED BY			
Accumulated Fund b/fwd	13	(48,534,370)	(50,816,618)
Surplus/Deficit for the year		2,260,679	2,068,442
NET FINANCIAL POSSITION		(46,273,692)	(48,730,177.83)

The School's financial statements were approved on 18th June 2024 and signed by:

Name: Dr. Lazarus Okiong
 Chairman, BoM

Sign: 

Date: 18-6-24

Name: Charles Onyan
 School Principal/Secretary
 to BoM

Sign: 

Date: 18-6-24

Name: Aina Nyathia
 Bursar/Finance

Sign: 

Date: 18-6-24

VII.

NYAMBARIA HIGH SCHOOL
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VIII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	2,936,042	3,977,905
Capitation grants for operations	2	21,274,223	28,742,757
School fund income- Parents contributions/ fees	3	15,331,682	31,968,640
School fund income- other receipts	4	33,819,229	33,773,660
Prepaid fees			772,042
Fees arrears recovered			1,161,502
Total receipts		73,361,176	100,415,507
Payments			
Payments for Tuition	5	3,009,819	4,321,718
Payments for operations	6	16,912,294	28,410,498
Boarding and school fund payments	7	51,178,385	71,679,701
Total payments		71,100,498	104,411,917
CASHFLOW FROM INVESTING ACTIVITIES		2,260,678	(3,996,410)
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES		-	-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,260,678	(3,996,410)
Cash and cash equivalent at BEGINNING of the year		924,850	745,898
Cash and cash equivalent at END of the year		3,185,527	(3,250,513)

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

INTEGRATED HIGH SCHOOL
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IX. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Text books		0		0	0	0
Exercise books	2,372,000	-	2,372,000	901,975.00	1,470,025	62%
Laboratory equipment and apparatus	900,400.00	-	900,400.00	901,975.00	(1,535)	100.1%
Internal exams	644,760.00	-	644,760.00	418,231.37	226,528.63	64.9%
Teaching /learning materials	885,400.00	-	885,400.00	726,860.67	158,539	82.1%
chalks		-	-	-	-	#DIV/0!
SUB TOTAL	4,802,600.00	-	4,802,600.00	2,949,042.04	1,853,558	309.0%
(2) CAPITATION GRANT ON OPERATIONS					-	
Personnel emoluments	10,039,950.00		10,039,950.00	5,266,467.00	4,773,483.00	47.5%
Repairs and maintenance	9,250,000.00		9,250,000.00	8,458,422.00	791,578.00	91.4%
Local transport / travelling	2,445,700.00		2,445,700.00	424,140.00	2,021,560.00	17.3%
Electricity and water	2,314,350.00		2,314,350.00	2,172,694.00	141,656.00	93.9%
Others	3,331,349.00	-	3,331,349.00	-	-	100%
Administration costs	2,590,000.00		2,590,000.00	2,113,380.70	476,619.30	81.6%
SUB TOTAL	32,746,349.00	-	32,746,349.00	18,435,103.70	10,979,896.00	468.1%

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(3) FEES CHARGED ON PARENTS						
Personnel emoluments	12,824,200.00		12,824,200.00	1,753,283.00	11,070,917.00	13.67%
Repairs and maintenance	3,700,000.00		3,700,000.00	868,540.00	2,831,460.00	23.5%
Local transport / travelling	4,848,850.00		4,848,850.00	356,407.00	4,492,443.00	7.4%
Electricity and water	11,658,700.00		11,658,700.00	912,517.00	10,796,183.00	7.8%
Administration costs	8,354,600.00		8,354,600.00	998,593	7,356,007.20	11.9%
Activity	1,476,300.00		1,476,300.00	501,303.00	974,997.00	34%
Fee on Boarding Equipment and Stores	56,212,250		33,819,229	33,819,229	22,709,977.00	60%
Other vote heads	9,941,039.00		9,941,039.00	9,941,039.00	0	100%
Mult purpose hall	316,956			316,956	316,956.00	
SUB TOTAL	63,494,300.00	-	63,494,300.00	49,150,911.00	25,115,687.20	60.4%
TOTAL INCOME	236,250,022	-	236,250,022	73,361,176.00	28,000,276.46	87.5%
(1) EXPENDITURE FOR TUITION						
Text books						
Exercise books	2,372,000	-	2,372,000.00	-	2,372,000.00	0.0%
Laboratory equipment and apparatus	900,400.00	-	900,400.00	21,925.00	878,475.00	2.4%
Internal exams	644,760.00	-	644,760.00	968,900.00	(324,140.00)	2%
Teaching/learning materials	885,400.00	-	885,400.00	-	885,400.00	0.0%
Creditor paid	2,015,034.00	-	2,015,034.00	2,015,034.00	-	100%
Bank charges	3960	-		3,960.00	(3,960.00)	0.0%
SUB TOTALS	6,821,554	-	6,821,554.00	3,009,819	3,811,735.00	27.9%
(2.) EXPENDITURE FOR OPERATIONS						
Personal Emoluments	10,039,950.00		10,039,950.00	8,015,841.00	(2,024,109	87%
Repairs and maintenance	9,250,000.00		9,250,000.00	724,930.00	8,525,070.00	8%
Local transport /travelling	2,445,700.00		2,445,700.00	172,607.00	2,273,093.00	70%
Electricity and Water	2,314,350.00		2,314,350.00	1,366,816.00	947,534.00	59%

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Administration costs	2,590,000.00		2,590,000.00	349,660.00	2,240,340.00	14%
Other vote heads	3,499,552.00		3,499,552.00	3,499,552.00	0	100%
BES	1,246,712		1,246,712	1,246,712	0	100%
Creditors paid	1,536,176		1,536,176	1,536,176	0	100%
SUB TOTALS	32,922,440	-	32,922,440.00	16,912,294.00	16,010,146	
(3) EXPENDITURE FOR SCHOOL FUND			0			
Boarding equipment and stores	56,212,250.00		56,212,250.00	13,973,688.00	42,238,562.00	25%
Personal emoluments	12,824,200.00		12,824,200.00	1,885,702.00	10,938,498.00	15%
Repairs/maintenance and Improvement	3,700,000.00		3,700,000.00	3,118,428.00	581,572.00	84%
Local transport /travelling	4,848,850.00		4,848,850.00	1,714,727.00	3,134,123.00	35.0%
Advance	36,000.0		36,000.00	36,000.00	0	100%
Refund	6,000.00		6,000.00	6,000.00	0	100%
Bank charges				1,200.00		
Creditors paid	16,956,350.00		16,956,350.00	16,956,350.00	0	100%
Activity	1,476,300.00		1,476,300.00	0	0	100%
Operation account	514,882.00		514,882.00	514,882.00	0	100%
Gubogi,NSSF and NHIF	965,206.00		965,206.00	965,206.00	0	100%
Electricity, water and conservancy	11,658,700.00		11,658,700.00	4,363,920.00	7,294,780.00	37%
MIF	4,435,465.00		4,435,465.00	4,435,465.00	0	100%
Administration costs	8,354,600.00		8,354,600.00	3,057,910	5,296,690.00	37%
PAYE	48,907.00		48,907.00.00	48,907.00	0	100%
Multi -purpose	100,000		100,000	100,000	0	100%
SUB TOTALS	63,494,300.00	-	63,494,300.00	51,178,385.00	35,379,925.30	44.3%
TOTAL EXPENDITURE	201,625,698.00	-	201,625,698.00	71,100,498.00	43,024,021.30	51.0%

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

1. Overutilization is due to over expenditure of a vote head.

NYAMBARIA HIGH SCHOOL
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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.

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.

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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 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1. CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	0
Exercise books	901,975	1,719,200.00
Laboratory equipment	901,975	859,600.00
Internal exams	418,231	752,150.00
Teaching / learning materials	713,861	646,955.00
Teachers guides	-	0
Total	2,936,042.00	3,977,905.00

2. CAPITATION GRANT FOR OPERATIONS

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	2020-2021	2020
	Kshs	Kshs
Personnel emoluments	5,266,467.00	8,987,629.00
Repairs and maintenance	8,458,422.00	9,827,140.00
Local transport / travelling	424,140.00	1,225,399.00
Electricity and water	2,172,694.00	2,383,803.00
Medical	-	429,800.00
Administration costs	2,113,381.00	2,294,334.00
Activity	-	874,162.00
BES	-	532,098.00
Refund	-	628,391.99
Other vote heads	2,839,119.00	0
BOM Teachers	-	1,560,000.00
Total	21,274,223.0	28,742,756.99

3.PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2020
	Kshs	Kshs
Personnel emoluments	1,753,283.00	9,086,870.00
Repairs and maintenance	868,540.00	4,700,943.00
Local transport / travelling	356,407 .00	2,503,042.00
Electricity and water	912,517 .00	8,389,806.00
Boarding (other vote heads)	9,941,039 .00	
Administration costs	998,593.00	4,468,528.25
Activity	501,303.00	1,309,445.00
Refund		1,528,006.00
Total	15,331,682.00	31,968,640.25

4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020- 2021	2019- 2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	33,502,273	35,762,933.49
Rent income	0	0
Income from farming activities	0	0
Maintenance Improvement Fund	0	0
Multi- purpose hall	316,956.00	6,028,123.00
Income from Bus Hire	0	0
Fee for hire of ground and equipment	0	0
Income from grants and donations*	0	0
Total	33,819,229.00	41,791,056.49

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

5. PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	1,652,000.00
Laboratory equipment	21,925.00	2,330,352.00
Internal exams	968,900.00	289,500.00
Teaching / learning materials	0	49,500.00
Boarding	2,015,034.00	0
Exams and assessment	0	0
Teachers guides	0	0
Administration Costs	0	0
Bank Charges	3,960.00	366.00
Total	3,009,819.00	4,321,718.00

6. PAYMENTS FOR OPERATIONS

	2021	2020
	Kshs	Kshs
Personnel emoluments	8,015,841.00	5,708,387.00
BOM Teachers	0	1,560,000.00
Administration Cost	349,660.00	1,713,668.00
Repairs and maintenance & improvements	724,930.00	8,693,940.00
Local transport / travelling	172,607.00	597,400.00
Electricity and water	1,366,816.00	2,894,810.00
BES	1,246,712.00	6,147,593.00
Activity Expenses	0	1,023,800.00
Gubogi sacco	771,074.00	0
PAYE	95,659.00	0
NSSF	949,329.00	0
NHIF	174,950.00	0
Advance	8,540.00	0
Medical	0	70,900.00
BOM teachers	0	1,560,000.00
Creditors paid	1,536,176.00	
Bank loan	1,500,000.00	
TOTAL	16,912,294.00	28,410,498.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
 7. BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,885,702.00	9,040,931.00
Maintenance Improvement fund	4,435,465.00	0
Repairs and maintenance & Improvements	3,118,428.00	7,509,967.00
Local transport / travelling	1,714,727.00	2,293,550.00
Electricity and water	4,363,920.00	9,071,304.00
Administration costs	3,057,910.00	6,793,085.00
NSSF	483,664.00	0
PAYE	48,907.00	0
NHIF	88,000.00	0
Gubogi sacco	393,542.00	0
Multipurpose	100,000.00	804,000.00
Fee on Boarding Equipment and Stores	13,973,688.00	32,804,734.00
Creditors	16,956,350.00	0
Advance	36,000.00	0
Bank charges	1,200.00	0
Activity	0	594,010.00
Operation	514,882.00	0
Refund	6,000.00	2,768,120.00
TOTAL	51,178,385.00	71,679,701.00

*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.*

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account-KCB	1101901675	10,519.50	6,796.50
Operations Account-KCB	1101942835	16,438.18	155,014.48
School Fund Account/Boarding	1.ABSA-0081120005	64,849.80	95,246.50
	2.Coopeative-01129349136800	73,515.90	196,474.50
	3.KCB West-1178721183	107,035.49	61,624.09
	4.Equity-0520298780525	309,694.19	96,073.09
	5.Wakenya paomoja-643308009198	1,624,090.74	117,279.74
Multi- purpose Account- COOPERATIVE	01139297404400	394,708.00	0
Infrastructural Account-KCB	1213060184	574,538.50	10,003.50
Total		3,175,390.30	738,512.49

9. CASH IN HAND

Description	2020-2021	2020
	Kshs	Kshs
Tuition Account	0	0
Operation Account	1,188.00	683.00
School Fund account	8,949.10	6,702.10
Total	10,137.10	7,385.10

10. SHORT TERM INVESTMENTS

Description	2020-2021	2020
	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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	32,228,314.00	36,128,905.00
Other non-fees receivables		
Salary advances	39,540.00	0
Imprest	-	0
Total	32,267,854.00	36,128,905.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	2,285,253.00	0
Add bal. b/f for the year 2020	36,128,905.00	
Less fees arrears paid	(6,185,844.00)	
Fees arrears for the previous period	0	8,017,396.00
Fees arrears for prior periods (over two years)	0	28,111,509.00
Total	32,228,314.00	36,128,905.00

12. ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors(See ageing below and appendix 1)	72,117,220.00	78,008,009.00
Prepaid fees	8,009,856.00	7,596,971.000
Retention monies		0
Total	80,127,076.00	85,604,980.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for the current year	18,941,062.00	-
Trade creditors for the previous year	76,318,218.00	36,695,191.00
Less creditors paid	(23,142,060.00)	-
Trade creditors for prior periods (over two years)	-	39,439,577.00
	72,117,220.00	76,134,768.00

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13. FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	931,935.91	738,512.49
Cash balances	9,768.10	7,385.10
Short Term Investments	0	0
Receivables	36,128,905.58	29,274,011.58
Payables	(85,604,980)	(81,032,334.00)
Total	(48,534,370.00)	(53,273,103.00)

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14. Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
0	0	xxx

15. Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		0	0
Goats		0	0
Trees	40	40,000.00	0
Coffee or tea plantation		0	0
Poultry		0	0
Total	40	40,000.00	0

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16. Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	0	0
Borrowings during the year	1,600,000	0
Repayments of during the year	0	0
Balance at end of the year	1,600,000	0

Other important disclosure notes

17. Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	25,050,720.00	0
Stock/ inventory purchased during the year	52,017,428.00	0
Stock/ inventory issued during the year	(60,127,086.00)	0
Balance at end of the year	16,941,062	0

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18. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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.	Sundry debtors	Sundry debtors of 53,377,086.20 was wrongly written instead of ksh.36,128,906	The management resolved that being no possibility of fees recovery, to write a letter to the PS to write off outstanding fees arrears.	
2.	Sundry creditors	Sundry creditor of ksh.89,596,130.60	The BOM dissolved that creditors should paid in advance to avoid any legal action. Included in the creditors is inter account borrowing that the BOM deliberated that the school should adhere to MOE guidelines.	
3.	Bank loan	Bank loan of ksh.3,259,292.00	The loan was fully cleared and it was erroneously appearing since it was fully cleared in 2019.	

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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 2021-1	Commer
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. Gesa ceramics	1,186,950.00	30/6/2021			1,186,950.00	
2. Jeremiah Rongi(infrastructure)	198,833.00	30/6/2021			198,833.00	
Sub-Total	1,385,783.00				1,385,833.00	
Supply of goods						
3. Phemond Instant(Boarding account)	490,000.00	30/6/2021			490,000.00	
4. Joel Ombati Nchogu(Boarding account)	990,000.00	30/6/2021			990,000.00	
5. Keboco agencies(Tuition account)	2,554,550.00	30/6/2021			2,554,550.00	
6. Annipal Agencies(Boarding account)	262,900.00	30/6/2021			262,900.00	
7. Willio agencies(operation account)	253,357.00	30/6/2021			253,357.00	
8. Benotis s. agencies(Boarding account)	770,500.00	30/6/2021			770,500.00	
9. Penjamo agencies(Boarding account)	1,915,000.00	30/6/2021			1,915,000.00	
10. Bathishera Moraa(Boarding account)	995,000.00	30/6/2021			995,000.00	
11. Mowaa agencies (Boarding account)	601,100.00	30/6/2021			601,100.00	
12. Kofii & Bee (tuition account)	2,911,500.00	30/6/2021			2,911,500.00	
13. Price Worth (Boarding account)	1,890,000.00	30/6/2021			1,890,000.00	
14. Jeremiah Rongi (Boarding account)	1,654,872.00	30/6/2021			1,654,872.00	
15. Amalo company limited (Boarding account)	1,639,500.00	30/6/2021			1,639,500.00	
Sub-Total	16,928,279.00				16,928,279.00	
Supply of services						
16. Jayken General Supplies (Boarding account)	627,000.00	30/6/2021			627,000.00	
Sub-Total	627,000.00				627,000.00	
Grand Total	18,941,062.00				18,941,062.00	

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ANNEX 2

SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st January 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical c/f (Kshs) 30 th June 2021
Land 1	1960		8 Acres			8 Acres
Land 2						
Buildings and structures						
Motor vehicles:		school				
1. KAV 280E	2006		4,357,300	0	0	4,357,300
2. KBW 168V	2012		10,929,300	0	0	10,929,300
(SCANIA)	2012		2,300,000	0	0	2,300,000
3. KBR 011N				0	0	
(VAN)						
4. KCH 968Q	2018		MOE			MOE
(HINO)						
Office equipment, furniture and fittings						
1. Student Lockers & chairs	2021	classroom	60,000			60,000
ICT Equipment, and Other ICT Assets						
1. server	2021	school	60,000			60,000
2. Computers lab						
Tools and apparatus						
1. Lawn mower	2020	school	86,000			86,000
Textbooks	2020	library	MOE			MOE
Other Machinery and Equipment						
1. Podium/public address system	2021	school	115,000	0	0	115,000
2. Generator	2020		3,190,000			3,190,000
Heritage and cultural assets						
Intangible assets- soft ware						
1. Zerack software	2021	Academic office	336,284	0	0	336,284
Total			21,433,884			21,433,884

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